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Japan

Spokesman Denies Sihanouk Forced To Sign

OW0806153090 Tokyo KYODO in English 1456 GMT 8 Jun 90

[Text] Tokyo, June 8 (KYODO)—A Foreign Ministry spokesman Friday rebutted remarks attributed to Cambodian resistance leader Prince Norodom Sihanouk that he signed a joint communique in Tokyo with rival Phnom Penh Premier Hun Sen against his will.

"Whatever he says and whatever reports are coming from anywhere, as far as we understand he signed at his own will here in Tokyo," said Spokesman Taizo Watanabe in a meeting with foreign correspondents. Watanabe was responding to reports Wednesday that Sihanouk said he only signed the document the previous day because he was obliged to do so by Thailand and Japan, the organizers of the two-day peace parley.

Sihanouk was also quoted as saying that if he did not ink the paper, he would have been attacked by the world media as being a supporter of the Khmer Rouge, which is widely held responsible for over a million deaths during its 1975-79 rule. The Chinese-backed guerrilla group, which fields the largest military force in the Sihanouk-led tripartite resistance coalition, refused to acquiesce to the Sihanouk-Hun Sen joint communique.

Noting that the ceasefire draft had been agreed to in advance by all four factions, Sihanouk reportedly charged that alterations advanced by Japan and Thailand thus resulted in a flawed final document and "a lost opportunity."

But Spokesman Watanabe denied that Japan had maneuvered to "isolate" the Khmer Rouge by touching up the original ceasefire draft or by rejecting the concept of "four-party" talks advanced by the guerilla group. "Whatever agreement may have been reached before they came over to Tokyo, that is something among themselves," the spokesman said.

But the Khmer Rouge has rejected an agreement reached between Sihanouk and Hun Sen that a Supreme National Council (SNC), an interim ruling body, be composed of an equal number of representatives from the tripartite resistance coalition and from the Phnom Penh regime. The guerilla group has demanded that each of the four warring factions be given an equal number of seats on the SNC.

Watanabe said, however, that the Khmer Rouge remains free to decide its final position on whether to take part in the SNC, which is scheduled to hold its first session toward the end of July. "This agreement reached in Tokyo is still open for the Khmer Rouge to participate," he said. "We do not have any intention of isolating the Khmer Rouge." The spokesman said Japan is fully cognizant that without the participation of the militarily powerful Khmer Rouge, "no viable peace can be achieved."

Summing up the Tokyo meeting on Cambodia, Watanabe said, "we achieved what we had intended to achieve. Now it's up to the other parties to try to make this agreement a more valid one as time goes on," he said.

Soviet Deputy Foreign Minister Visits

Says No Soviet 'Land To Spare'

OW0906092390 Tokyo KYODO in English 0858 GMT 9 Jun 90

[Text] Tokyo, June 9 KYODO--Soviet Deputy Foreign Minister Igor Rogachev on Saturday cast doubt on a reported Soviet willingness to strike a deal with Japan to settle a territorial dispute over four Soviet-held islands, telling Japanese Foreign Ministry officials that "the Soviet Union has no land to spare," Foreign Ministry officials said.

Rogachev, meeting with Vice Foreign Minister Takakazu Kuriyama and other officials for a full day of wide-ranging talks, was also quoted by officials as saying the date for Soviet Foreign Minister Eduard Shevardnadze's visit to Japan will be set "in the very near future."

Japanese officials had expected that Rogachev would announce Shevardnadze's visit, as Vladimir Petrovskiy, another Soviet deputy foreign minister, had said in Tokyo in mid-April that the date would be set soon after the summit meeting between Soviet President Mikhail Gorbachev and U.S. President George Bush, which ended last week.

Rogachev, briefing on the content of the summit, said that when Bush suggested to Gorbachev that Moscow return the four disputed islands to Japan, the Soviet leader "explained our fundamental position" with regard to Japan's territorial claims.

That position, the Soviet official reportedly added in explanation, "is that the Soviet Union has no land to spare." Rogachev was reiterating remarks made by Gorbachev last April during a meeting with factory workers in Sverdlovsk, a city in the Ural region of the Soviet Union, which Japan had criticized as being "rooted in old thinking."

Rogachev also said that Japan should not "unilaterally attach preconditions" to an expansion of ties, officials said.

Officials said the "nuance" of Rogachev's references to the territorial dispete contradicted a report appearing in Friday's edition of the mass circulation YOMIURI SHIMBUN that Gorbachev had told a "very high-level U.S. official" that he wants to strike a deal with Japan.

Gorbachev had reportedly told the official he was considering a territorial compromise in exchange for an immediate infusion of Japanese goods and investment.

Rogachev and Kuriyama agreed that bilateral talks between specialists should be set up before the next round of foreign ministerial talks takes place in Tokyo.

When Rogachev brought up the idea, which had originally been broached by Petrovskiy in mid-April, officials said Kuriyama responded that the date of the preparatory talks should be set at the same time as that of Shevardnadze's visit.

Foreign Ministry officials said later Saturday the U.S. Government, in response to inquiries made by the Japanese Embassy in Washington with regard to Gorbachev's reported remarks, has replied: "We are not aware of any such thing whatsoever."

A senior ministry official reached afterward for comment said: "We are taking that as a denial—I think the matter is closed." The official acknowledged, however, that the newspaper report was so detailed that it was difficult at first to come to a conclusion as to whether or not the information was fabricated.

The YOMIURI quoted a U.S. diplomatic source as saying Gorbachev proposed a "deal" with regard to the territorial dispute in an informal one-on-one encounter with the U.S. official. The source was quoted as saying the official assumed that Gorbachev wanted him to convey his intentions to Japan unofficially as the Soviet leader brought up the specific issue on his own accord.

The report came after a reliable U.S. source told KYODO NEWS SERVICE in Washington that Gorbachev personally told Bush during their talks at Camp David on Saturday last week that Moscow wants assurances of "returns" from Japan before considering handing back the Soviet-held islands off northern Japan. Foreign Ministry spokesman Taizo Watanabe said Friday U.S. officials had denied such an exchange took place.

Details DPRK Economic Situation

OW0906105590 Tokyo KYODO in English 1038 GMT 9 Jun 90

[Text] Tokyo, June 9 KYODO—Soviet Deputy Foreign Minister Igor Rogachev on Saturday warned that North Korea's economic situation is "complex and difficult," but added that Moscow does not foresee major changes in the country's domestic or international policy in the near term, Foreign Ministry officials said.

Meanwhile, Sakutaro Tanino, director general of the ministry's Asian Affairs Bureau, warned of North Korea's "isolation" and expressed concern over how Pyongyang will act in the wake of Monday's historic summit meeting in San Francisco between Soviet leader Mikhail Gorbachev and South Korean President No Tae-u.

Rogachev and Tanino, the two highest officials in charge of Asian affairs in their respective governments, met for some two hours at the Foreign Ministry to exchange views on the current situation surrounding the Korean peninsula and Cambodia.

Rogachev told Tanino that by Moscow's assessment, the present North Korean administration is "completely in control" of the country's domestic situation. He acknowledged, however, that the North Korean economy "is in a complex and difficult situation," officials said.

The Soviet official warned that a deterioration of the country's economic situation will likely have a detrimental effect on its trade performance and on its people's standard of living. But he added that Moscow "does not see any major change in the (North Korean) domestic politics or in its foreign policy in the near future."

Moscow-Pyongyang ties are "progressing smoothly," Rogachev asserted, noting that the two countries continue to enjoy regular political and economic contacts and to engage in wide-ranging consultations. "But there are a number of problems, such as those in the economic field," the Soviet official was quoted as acknowledging.

Rogachev is making a swing through Asia to brief countries on the outcome of last week's Soviet-U.S. and Soviet-South Korean summit meetings. He leaves Japan on Sunday for China, but officials were unable to confirm whether or not he has plans to visit North Korea as well.

Tanino said that Japan has repeatedly expressed a desire to open a dialogue with North Korea "without any preconditions and without respect to the place or the level of contact. But we have received no response from the North Koreans," Tanino was quoted as saying. He mentioned that the North Koreans still hold two Japanese fishermen arrested [in] 1983 [seven] years ago on what Japan considers to be trumped up spying charges.

Tanino told Rogachev that Japan views the No-Gorbachev summit meeting as an illustration of East-West relations moving away from the kind of confrontation which has for decades formed the backdrop of tension on the Korean peninsula. Japan, he said, welcomes the trend and hopes to see a further normalization of ties between Moscow and Seoul.

Rogachev replied that his country views the Gorbachev-No meeting to be a momentous event. The official said Gorbachev indicated to No Moscow's desire to see a further expansion of ties with South Korea in such fields as economics and culture, telling him such relations "have a considerable potential for development." Rogachev said while the trade volume between the two countries is doubling yearly, Moscow also wants an expansion of economic cooperation with Seoul in manufacturing investment and joint ventures.

On the question of establishing diplomatic ties with Seoul, Rogachev was quoted as saying it will be taken up in the context of expanded bilateral ties and an improved political environment in the Asia-Pacific region and on the Korean peninsula.

USSR Guarantees Payment for Lithuanian Imports

OW0806235790 Tokyo KYODO in English 1434 GMT 8 Jun 90

[Text] Tokyo, June 8 KYODO—The Soviet Government has guaranteed payment by the Lithuanian Republic for imports from Japan, a sign that Moscow wants better relations with the breakaway republic, it was learned Friday.

The Bank of Foreign Economic Affairs, a government-affiliated bank, undertook the issuance of a letter of credit (L/C) in late May for the republic's purchase from a Japanese trading house, Chori Co., of 210 sets of household knitting machines worth about 80,000 dollars. The move is inconsistent with Moscow's apparent anger at the independence movement in Lithuania, spawning speculation among Japanese traders that the Soviet Government is willing to normalize its ties with the republic.

The relations between Lithuania and Soviet authorities have been badly crippled since the Kremlin launched an economic blockade against the Baltic republic in mid-April.

The Osaka-based Chori said Thursday it has received an L/C for its June knitting machine shipment from Litimpeks, a Lithuanian public trade corporation, the first L/C issued by a Soviet public agency in more than 10 years.

Chori is among many Japanese trading houses which have demanded L/Cs for their transactions with the Soviet Union amid concern that the economic turmoil there might force the country to stop payment for trade with foreign companies.

No New Soviet Insurance Due to Unpaid Debts

OW1006060190 Tokyo KYODO in English 0550 GMT 10 Jun 90

[Text] Tokyo, June 10 KYODO—The Ministry of International Trade and Industry [MITI] has told Japanese traders it will not provide new insurance for trade with the Soviet Union unless Soviet Government bankers guarantee payment for Japanese products, trading sources said Sunday.

MITI took the action to ease commercial risk because in recent months, some Soviet public corporations have delayed payments for their Japanese imports and MITI has not been able to get information about the corporations' financial health, the sources said.

Last month, Hiroshi Saito, president of the Japan Iron and Steel Federation, forecast a decline in Japanese steel exports to the Soviet Union in the months ahead in his reference to the recent delay in Soviet payments.

Japan's four major steel pipe mills—Nippon Steel Corp., NKK Corp., Sumitomo Metal Industries Ltd., and Kawasaki Steel Corp.—have suspended production of pipes intended for supply to the Soviet Union pending the settlement of payments for pipes bought from them.

The Soviets reportedly are asking to defer payments for several months to one year. The Japanese are asking the Soviet Bank of Foreign Economic Affairs to guarantee payment. So far, however, the Soviet bank has been reluctant to do so, according to trading sources.

At the end of April, payments owed by the Soviets totaled an estimated 225 million dollars, the sources said.

Shevardnadze Plans To Visit 'Early September'

OW1106074490 Tokyo KYODO in English 0703 GMT 11 Jun 90

[Text] Tokyo, June 11 KYODO—Soviet Foreign Minister Eduard Shevardnadze plans to visit Japan in early September, Japanese Foreign Ministry officials said Tuesday.

Soviet Ambasador to Japan Nikolay Solovyev conveyed Shevardnadze's plan in a meeting with Foreign Minister Taro Nakayama, officials said. Shevardnadze was earlier scheduled to visit Japan in March but canceled.

Additional Information on Visit

OW1106093990 Tokyo KYODO in English 0903 GMT 11 Jun 90

[Text] Tokyo, June 11 KYODO—Soviet Foreign Minister Eduard Shevardnadze has informed his Japanese counterpart Taro Nakayama of his intention to visit Tokyo on either September 3-4 or September 7-8, Foreign Ministry officials said Monday.

Officials said the message was conveyed to Nakayama in a meeting at the Foreign Ministry with Soviet Ambassador to Japan Nikolay Solovyev, who has just returned from a brief sojourn in Moscow and a meeting with Shevardnadze. Solovyev said either date was a possibility, noting that Shevardnadze will be occupied on September 5-6 as he will likely be attending a meeting in the Soviet Far East.

A top-level Foreign Ministry official noted satisfaction that the date of Shevardnadze's visit has finally been set, but added that the Soviet foreign minister had originally been expected to come last March.

Solovyev quoted Shevardnadze as expressing his hope that his visit to Japan, as well as subsequent visit by Nakayama to Moscow, will set the stage for the visit in 1991 by Soviet President Mikhail Gorbachev.

Nakayama agreed with Solovyev that prior to Shevardnadze's visit, officials from both sies should hold a working-level preparatory meeting. Ministry sources said such a meeting is likely to take place in July.

'U.S. Source' on Possible Bush Letter to Kaifu

OW0906013390 Tokyo KYODO in English 0009 GMT 9 Jun 90

[By Shiro Yoneyama]

[Text] Washington, June 8 KYODO—U.S. Secretary of State James Baker will press Japan to make more concessions on the structural impediments initiative (SII) in his June 15 meeting with Foreign Minister Taro Nakayama in San Francisco, U.S. officials said Friday.

U.S. Government officials discussed at a subcabinet-level meeting Friday afternoon whether letters should be sent by Baker, Treasury Secretary Nicholas Brady, U.S. Trade Representative Carla Hills, and other cabinet members to their Japanese counterparts.

The letters, if sent, would aim to "alert the political people in Japan to the fact that we see political problems here," a senior U.S. official said, referring to what is seen in Washington as a lack of progress in talks on producing a final report on the SII.

The yearlong initiative is aimed at removing structural barriers to trade and investment in both countries. U.S. officials have complained of a lack of progress in the last SII meeting held in Hawaii on May 23 and 24. The two countries are scheduled to hold the last full-scale meeting on a final SII report in Tokyo on June 25 and 26.

Speaking on condition of anonymity, the official said a final decision on the letter-writing campaign will be made next Monday or Tuesday.

Also being considered is a letter from President George Bush to Prime Minister Toshiki Kaifu, although a highly placed U.S. source acknowledged that the subcabinet-level officials were divided over a presidential letter. He and other senior U.S. officials charged with U.S.-Japan economic relations said SII will be a major topic for discussion between Baker and Nakayama during their meeting in San Francisco.

Another U.S. official said the meeting will also cover the summit meeting between Presidents George Bush and Mikhail Gorbachev, the subsequent meeting between Gorbachev and President No Tae-u of South Korea, and the annual economic summit of seven major industrial nations to be held in Houston, Texas, from July 9 to 11.

"We need political involvement in SII," said a U.S. official who advocates a letter from Bush to Kaifu. "President Bush wants a successful Houston summit. He wants a successful SII report. But you can't do both things at the same time, so that's the problem that we have," the official said. "We must make it (SII) successful on June 25-26."

He said the U.S. will determine SII's success or failure by gauging Japan's commitments to take actions in "areas that are of great importance to us." This includes persuading Japan to raise by "a couple of percentage points" its public works spending from the current 6.3 percent of gross national product (GNP) and to tighten its antimonopoly law, U.S. officials said.

They said public investment is the biggest problem. The U.S. also wants Japan to impose as a penalty "at least two times" the value of profits on violators of the antimonopoly law, one official said.

The official said the U.S. is also asking Japan to make changes in its patent system.

Regarding monitoring of Japan's implementation of its commitments in the SII dialogue, another senior U.S. official contended that the matter evolves around a "method of follow-up" rather than legalistic procedures.

The officials expressed skepticism about achieving a final SII report at the Tokyo meeting. "I still don't think that's likely," said one who returned from the Hawaii meeting disappointed.

"We want to finish everything in Tokyo," said another. "We will not sign a bad final report."

U.S. Technology Exchanges of Auto Parts Viewed

OW0806132290 Tokyo KYODO in English 1041 GMT 8 Jun 90

[Text] Tokyo, June 8 KYODO—The Ministry of International Trade and Industry (MITI) will propose to the United States a set of measures to expand technology exchanges between Japanese and U.S. makers of auto parts in an effort to allay U.S. complaints over the skewed bilateral trade in the field, a MITI official said Friday.

A high-ranking official of MITI's Machinery and Information Industries Bureau said the ministry will also propose mobilizing the recently enacted taxation measures to promote imports and reduce Japan's huge surplus in car components trade with the U.S. The proposals will be put on the table in the working-level meeting between the two countries next week, according to the official, who spoke on condition of anonymity. "We hope the measures will alleviate the lingering U.S. dissatisfaction over the issue," he said.

Japan's other proposals include providing U.S. makers with information about Japanese automakers' plans for auto parts purchases, and extending loans to companies that seek to import U.S.-made auto parts.

The technology exchanges to be proposed include exchanges of engineers and representatives of industry organizations, as well as establishing a forum for discussions between makers from the two countries about development of new cars.

MITI plans to draw up a handbook for joint development of cars aimed at informing U.S. parts makers of the functions and technological levels that Japanese car manufacturers require. The ministry will also put to use the import-promoting taxation relief measure established last year to boost Japan's imports of American auto parts, the official said.

U.S. Official Interviewed on Surplus Issue

OW0906015290 Tokyo KYODO in English 0106 GMT 9 Jun 90

[By Shiro Yoneyama]

[Text] Washington, June 8 KYODO—High-ranking U.S. officials are dismissing as "illogical" and "dangerous" a recommendation by a Tokyo government panel that Japan needs to maintain a current account surplus to finance world economic growth and assist Eastern Europe and Latin America. "It is illogical. It does not make sense," a senior U.S. official said, commenting on the study, which said Japan should keep a certain amount of surplus in the current account.

There is no connection between a current account surplus and a country's ability to finance private investment and overseas development, the official said in an interview.

Another senior official said, "It is equivalent to saying that other countries have a right to have a current account deficit." He said in an interview that the U.S. has a current account deficit but continues to extend economic aid to developing countries. "That's our fault," the official said of the U.S. deficit. "But it's not our policy to continue that deficit."

Their criticism is leveled at the recent study by an advisory panel to the Japanese Finance Ministry which said Japan's current account surplus dropped to 2 percent of its gross national product (GNP) in fiscal 1989, ended March 31, 1990, after peaking in fiscal 1986 at 4.5 percent of GNP. The panel suggested an appropriate level of surplus should be maintained so as to keep Japan a major creditor nation.

"That's a ridiculous argument," said another administration official with long experience in U.S.-Japan relations. "There is no logic to the argument. That argument has no meaning to us. I think that is self-rationalization," the official said during a meeting with Japanese reporters, referring to Japan's chronic current account and trade surpluses. "That is why that appeals to so many businessmen in Japan."

The U.S. officials agreed to comment on the panel report and its potential ramifications on condition that they not be identified.

One of the officials said the idea that a surplus is good for Japan could torpedo the ongoing structural impediments initiative (SII). A senior U.S. official who has been closely involved in American economic policy planning pointed out that Canada has been a "strong supporter" of official development assistance (ODA) although its current account has been in the red for the past 20 years.

He said the Scandinavian countries have also been active in the area of ODA.

"It's very unfortunate that this kind of thinking is taking hold in Japan," said one U.S. official. "And other (Japanese) economists are not challenging it. It's a very dangerous kind of thinking for Japan."

The Japanese advisory group study, released on May 31, has angered almost all U.S. officials concerned with relations with Japan. "We would like to see Japan's savings and investment imbalance reduced through greater public investment out of current revenue," an official said. "We think that would make an important contribution to reducing Japan's current account surplus and its trade surplus."

"If Japan says a surplus is wonderful, who wants to have the deficit? From the point of view of recipients (of Japanese aid), you can get money by exporting to Japan."

SII To Top Agenda of Nakayama-Baker Meeting

OW1106132490 Tokyo KYODO in English 1232 GMT 11 Jun 90

[Text] Tokyo, June 11 KYODO—The ongoing U.S.-Japan talks on structural trade barriers will top the agenda when the countries' foreign ministers meet in San Francisco this week, Foreign Ministry sources said Monday. The Japanese agenda for the talks on Friday also includes proposals for regular consultations between both nations' foreign and defense heads.

Japan has rejected U.S. demands for it to specify future public spending as a percentage of its GNP and agree to monitoring sessions in a final report on the structural impediments initiative (SII) trade talks. But officials are eager to clear away the disagreements before the final set of talks slated for June 25-26. "We want to clear the path to a solution in the foreign ministers' meeting," a senior Foreign Ministry official said.

Prime Minister Toshiki Kaifu has twice rejected specifying a GNP figure, saying that the listing of an aggregate projected amount of public spending during the next 10 years was agreed on in the SII interim report on April. The U.S. is seeking expenditure equal to 9 percent of GNP by 1995 and 10 percent by the year 2000.

Japanese officials have turned down U.S. requests for sessions four times a year to monitor the progress of SII agrements, contending at least a yar should elapse before any follow-up assessment is made. One government official, requesting anoymity, said such sessions would only "lead to the continuation of SII."

Japan will also propose consultations between the four heads of foreign affairs and defense establishments and among prominent intellectuals in this week's meeting between Nakayama and Baker, as a step to strengthening political dialogue.

Other topics for discussion include the reopening of an 810 billion yen loan package for China, Japanese support for Central American nations and recent development adding to tensions on the Korean peninsula.

MITI To Urge Exclusionary Practices Standards

OW1106085890 Tokyo KYODO in English 0820 GMT 11 Jun 90

[Text] Tokyo, June 11 KYODO—The Ministry of Interntional Trade and Industry (MITI) will require each industrial sector to draw up its own standards on rebates and other "exclusionary" trade practices that have been targets of U.S. criticism for hindering foreign access to Japanese markets, MITI sources said.

The move comes in line with Japan's pledge to make its trade practices fairer and more transparent, as stated in the April interim report on bilateral trade talks with the United States concerning structural barriers to trade and investment in the two countries. The standards will reflect the recommendations, to be issued soon, of a joint meeting of two MITI advisory panels working on measures to rectify such business-distorting practices, the sources said.

MITI will spell out the recommendations in a final report on the so-called structural impediments initiative (SII) talks due out in late June.

The standards, which will be set through talks between makers and distributors, need to make clear, for instance, how much rebate should be given on a product and on what conditions. They are intended to ensure that Japanese commercial activities are conducted in a more above-board manner, the sources said.

The panel recommendations will cover nine forms of such practices, including that of retailers returning unsold goods to makers or wholesalers and of retail prices being set according to makers' expectations.

On rebates, the panels will call for simplifying and clarifying the system as well as for outright scrapping of such special rebates as those paid according to the loyalty and increase in sales of the business partners.

With regard to the practice of returning goods, the panels will recommend that the contents of contracts concerning the practice be made clear and that compensations be introduced for those who have made no such returns.

The panels will call for abolishing maker-desired retail prices, which are often far higher than actual market prices.

The close ties between makers and their affiliated distributors will also be targeted by the panels, which will argue that such relations should not lead makers to block their affiliated retailers from dealing in products of other makers. The panels will also call for prohibiting rebates designed to maintain such affiliation.

MITI will also call on industries and companies to set up special facilities to handle complaints from foreign companies about Japanese trade practices.

Easing of Cocom Restrictions Discussed

OW0806125190 Tokyo KYODO in English 1054 GMT 8 Jun 90

[Text] Tokyo, June 8 KYODO—The government and business gave a cautious welcome Friday to the Cocom decision to ease restrictions on exports to Communist bloc countries. The Paris-based Coordinating Committee on Multilateral Export Controls has agreed to cut 38 categories off its list of 116 commodities that had been restricted for export to East bloc nations.

Minister of International Trade and Industry Kabun Muto said at a press conference after a cabinet meeting, "It's definitely a step in the right direction. I expect the decision to provide a sizable thrust to East European countries' efforts to transform their economies into capitalist ones," he said. "Japan is ready to give any assistance it can to these countries in the fields of technology and management."

A senior ministry official also said the Cocom decision is "in line with Japan's stance" over the issue.

The ministry has been calling for a drastic loosening of the Cocom grip on high-technology exports following dramatic changes in the political landscape in Eastern Europe. But it has also been cautioning that any such easing should not lead Japanese companies to lower their guards, risking another scandal like that involving Toshiba Machine Co. which was accused several years ago of exporting non-Cocom approved products to the Soviet bloc. But the official was skeptical about any immediate wave of exports to the areas.

"The markets in the Soviet Union or Eastern Europe are still quite small, and I can't imagine any avalanche of exports to these regions will happen immediately," he said.

Business circles displayed mixed reactions to the Cocom decision. While exporters are generally hopeful about the possible expansion of business opportunities in these areas, the bitter aftereffect of the Toshiba Machine scandal is still being felt.

An official of a major electronics maker said, "We cannot jump the gun. We need to first find out how U.S. and European companies move."

A computer maker official said, "I welcome the decision in principle, but we have little choice but to wait to see what other guys do. The growth potential of the markets in these areas is large, but the antiquated infrastructure and lack of engineers could serve as a major snag for any rapid expansion," he said.

Machinery makers are more cautious. "We want them to draw a clear line between the products that we can export and those we can't," said an official at a leading machine tool maker. "Otherwise we may stray into an unexpected pitfall like Toshiba Machine did."

A spokesman for another maker said Cocom restrictions have been eased substantially in the computer field where the U.S. enjoys the lead. "But the machine tool field, where Japan and West Germany have traditionally been strong, has not received so much benefit from the decision," he said.

Egyptian Official Calls on Kaifu, Nakayama

OW1106144390 Tokyo KYODO in English 1348 GMT 11 Jun 90

[Text] Tokyo, June 11 KYODO—Egyptian State Minister for Foreign Affairs Butrus Butrus Ghali expressed concern Monday over the formation of a right-wing Israeli government last week, Japanese Foreign Ministry officials said. Ghali, who is visiting Japan from June 6-14 as a guest of the Foreign Ministry, presented his views on the Middle East peace process in separate meetings with Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama.

Officials said Ghali told Nakayama that Egypt is particularly concerned over Palestinian reaction to the hawkish government formed last Friday by Prime Minister Yitzhaq Shamir. He also warned of increasing hardline pressure on Palestine Liberation Organization (PLO) Chairman Yasir 'Arafat to modify his moderate stance in the absence of dividends from Israel.

Both Arab and Israeli moderates have been put on the defensive by recent developments in the Middle East, Ghali was quoted as saying.

In a brief courtesy call on Kaifu earlier in the day, Ghali conveyed an invitation from Egyptian President Husni Mubarak for Kaifu to pay a visit to Cairo. The Japanese premier is expected to make a swing through the Middle East in the summer.

Ghali also asked Kaifu to keep the concerns of African countries in mind when he meets in Houston early next month with the leaders of six other industrialized nations, officials said.

Officials noted that the seven-nation summit will coincide with a meeting of the Organization of African Unity (OAU) in the Ethiopian capital of Addis Ababa.

Ghali told Nakayama that the Middle East peace process has received less priority on the U.S. and Soviet diplomatic agenda than before, as both countries are preoccupied with events in Europe. But for a Middle East peace settlement to be realized, the role of the two superpowers is "indispensable," he said.

Ghali criticized a new wave of Soviet emigration to Israel and said Moscow and Washington should empower the United Nations to take steps to prevent new arrivals from settling in the occupied West Bank and Gaza Strip.

The Egyptian official expressed regret over the U.S. decision on May 31 to veto a U.N. Security Council resolution that called for a fact-finding mission to report on Israeli abuses of Palestinians in the occupied territories. The vote was 14-1.

Nakayama told Ghali that while the role of the United States and the Soviet Union in the Middle East peace process is vital, it is likewise important to create an atmosphere conducive to an Israeli-Palestinian dialogue. Nakayama expressed support for peace proposals made by Mubarak in May 1989 and said Japan has taken them up with both Israel and the PLO.

Ghali met earlier in the day with the leaders of both houses of the Diet and former Prime Ministers Noboru Takeshita and Yasuhiro Nakasone.

'Defense-Only' Military Policy To Remain

OW0906090590 Tokyo KYODO in English 0840 GMT 9 Jun 90

[Text] Fukuoka, June 9 KYODO—Prime Minister Toshiki Kaifu said here Saturday Japan will retain its defense-only orientation with a minimum of armaments in the new multiyear defense buildup program for fiscal 1991 and beyond.

Kaifu said at a press conference that the government will hold a Security Council conference on June 19 to discuss the compilation of the new defense program to start fiscal 1991 beginning April 1, 1991. But he noted the meeting will confirm Japan's basic stance only to be moderately armed to maintain its own security, as decided in a 1976 Cabinet meeting.

The policy, known as Japan's National Defense Program Outline, was introduced by the Cabinet of the late Prime Minister Takeo Miki and pledges Japan will not become a military giant. It calls for building the capability to independently repulse a limited and small scale attack, though it does not define the size of such an attack.

The prime minister chairs the Security Council, Japan's highest defense policy-making body, which is comprised of the foreign minister, finance minister, Defense Agency director general, Economic Planning Agency director general, chief Cabinet secretary, and the National Public Security Committee chairman.

Kaifu said the Security Council meeting will consider the prospects for moves toward detente in Asia, which have apparently been accelerated with a series of summit talks between leaders of the United States, the Soviet Union and South Korea earlier this month.

"A new world order to overcome the cold war is being sought, although the power-balance framework still continues," Kaifu said, adding the Security Council meeting will thoroughly discuss the dramatically changing world situation including Asian affairs.

Mongolia

New Stage of Soviet-American Cooperation Viewed

OW0806054290 Ulaanbaatar MONTSAME in English 1723 GMT 7 Jun 90

[Text] Ulaanbaatar, 7 Jun (OANA-MONTSAME)—P. Tomorbaatar, observer of the ruling party paper "UNEN" qualified the Soviet-American summit the new stage of coopration. He points out that the outcomes of the summit meeting between U.S.S.R. and U.S.A. presidents consolidate the trust between the peoples and in hope that the mankind can live wthout the danger of nuclear threat and without "cold war".

The Soviet-American summit and the documents signed during the meeting reaffirm the fact that relations between the U.S.S.R. and U.S.A. are turning from talks and dialogues into real cooperation, P. Tomorbaatar writes. Key internetional issues, first of all, the wider the range of quest [words indistinct] disarmament were in the focus of attention during the talks between M.S. Gorbachev and George Bush. During the summit the leaders of the two countries dscussed also the issues related to further expansion of bilateral trade, economic and cultural relations.

The "UNEN" observer emphasizes special significance of the Soviet-American agreement in liquidation and non-production of chemical weapons and statements on the next stage of talks on 50 rpt 50 percent cut in strategic and offensive weapons. The second meeting between M.S. Gorbachev and G. Bush was a worthy contribution to implementing into life the results of their first meeting, he noted.

Supreme Soviet Ratifies Legal Aid Agreement

OW1006094690 Ulaanbaatar International Service in English 0910 GMT 9 Jun 90

[Text] The USSR Supreme Soviet has ratified the Soviet-Mongolian agreement on rendering mutual legal assistance in civil, family, and criminal cases. This agreement was signed in Ulaanbaatar on September 23d in 1988.

G. Ochirbat Discusses Participation in Elections

OW0806114990 Ulaanbaatar MONTSAME in Russian 1826 GMT 7 Jun 90

[Text] Ulaanbaatar, 7 Jun (MONTSAME)—Gombojabyn Ochirbat, chairman of the MPRP [Mongolian People's Revolutionary Party] Central Committee, appeared today on national radio and television in connection with the upcoming elections to the people's hurals of all levels this July. The MPRP leader noted in particular that the upcoming general elections will be held in a new atmosphere of democracy and freedom that has taken shape in the country due to restructuring, and at a time when a multiparty system has become a reality. Therein lies the difference between these elections and previous ones. All of our country's parties and forces are competing in the elections. This is an entirely new development in our society, he said.

As you know, the task and policy of our party for participating in the preelection campaign were reflected in the manifesto adopted at the May (1990) MPRP Central Committee Plenum. This document also determines the party's policy, which expresses the fundamental interests of our people and homeland and national unity and social progress, and is directed at creating humane democratic socialism. This has elicited the broad support of the country's workers, livestock breeders and farmers, intelligentsia, and youth, G. Ochirbat emphasized.

He noted the MPRP's determination to take part in the elections on the basis of the principle of democracy and equal rights with other parties, associations, and unions, and to reject the use of various unfair political methods and adhere to fair methods of competition. During the preelection campaign, our party will consistently oppose any violation of the articles of the MPR [Mongolian People's Republic] Constitution and the Law on Elections, or any distortion of election rights and democracy. It favors giving all competing forces equal rights and strives to set an example as a reasonable and honest participant in the elections.

The MPRP Central Committee chairman called on all of the country's voters to participate in the general elections, which will be held in conditions of a multiparty system for the first time, in a businesslike and responsible way and with a profound understanding and cognizance of their essence and significance.

Youths To Mark Genghis Khan Birthday 9 Jun

OW0406151190 Ulaanbaatar International Service in English 0910 GMT 4 Jun 90

[Excerpt] The administration of the Central Youth Park and the editorial board of the newspaper MONGOLIAN YOUTH held a press conference in Ulaanbaatar where they informed journalists of the plan to celebrate the birth anniversary of Genghis Khan, the founder of the united Mongol state, on coming Saturday, June the 9th. [passage omitted]

North Korea

Bush's Remarks on U.S. Role in South Denounced

SK0906061490 Pyongyang KCNA in English 0518 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—U.S. President Bush recently blared that as North-South relations remain unchanged on the whole, the United States would maintain close ties of security cooperation with South Korea and the "basic role" of the U.S. troops stationed in South Korea and "the U.S. commitment to the defence" of South Korea would be unshakable. Commenting on this, NODONG SINMUN Saturday charges that this is a provocative blast which fully reveals the U.S. imperialists' vaulting ambition for aggression in Korea.

Bush's utterances betray the ulterior intention of the U.S. imperialists to occupy South Korea for an indefinite period and continue to pursue the policy of aggression and war against the DPRK, the news analyst says, and goes on:

The arms buildup of the U.S. troops occupying South Korea is constantly stepped up in the form of the expansion of military bases, introduction of modern means of war, etc. Under the veil of "arms reduction" and adventurous military manoeuvres against the DPRK are incessantly staged.

The act of the United States in goading the South Korean puppets into anti-DPRK moves, while levelling gun muzzle at us and resorting to artifice to occupy a half of our country for an indefinite period, giving off the smell of gunpowder, runs counter to their words that they "are exploring a way for the improvement of relations".

If the United States is truly interested in peace on the Korean peninsula and the improvement of her relations with the DPRK, she must give up her policy of division and war against the Korean people and respond to the DPRK's peace overtures including tripartite talks for the settlement of the Korean question.

The United States which is directly responsible for the Korean question must play a positive role in achieving peace in Korea and solving her reunification question and pull its troops and nuclear weapons out of South Korea.

South Occupation 'Disgrace' to American People

SK0906052590 Pyongyang KCNA in English 0507 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—The U.S. imperialists must take a practical step of withdrawing their forces and nuclear weapons out of South Korea, true to their own claim that foreign troop pullout is a key to the settlement of regional disputes, says NODONG SINMUN in a signed article today.

Recalling that the U.S. imperialists are reinforcing their Armed Forces in South Korea by shipping in new military equipment, although they recently announced a "three-phase reduction" plan of their troops, the article says:

This move of theirs shows that their "troop reduction" plan is a sort of troop adjustment plan to maintain and strengthen their forces in South Korea through a little quantitative readjustment and that there is no change in their strategy and real intention to keep hold on South Korea for an indefinite period.

They intend to redeploy their troops under the false cloak of "troop cuts" and keep occupying South Korea as an anti-communist bridgehead, a nuclear forward base.

Their continued occupation of South Korea diametrically runs counter to the basic trend of our times toward independence and sovereignty.

Their military occupation of it is a most brutal encroachment on the Chajusong of our nation.

To get the U.S. forces and nuclear weapons withdrawn from South Korea and reunify the country is a struggle for restoring the national sovereignty violated in a half of the country and establishing it throughout the country, and it is a sacred cause which accords with the basic trend of our times toward independence and sovereignty.

The U.S. imperialists' criminal moves to keep their forces and nuclear weapons in South Korea and keep occupying it as a colony, military base and nuclear forward base of theirs for ever against this historical trend are completely anachronistic.

Their policy of aggression in blocking the reunification of the Korean nation while keeping South Korea under their occupation is a deep disgrace to the American people.

It is an indelible crime against history and the nation for the South Korean puppets to beg of the U.S. imperialists, their master, not to withdraw the U.S. forces and nuclear weapons from South Korea, clinging to their coattails, today when the nation's sentiments for reunification are mounting to a high tide with an irresistible force and the waves of independence are rolling furiously all over the world.

The U.S. imperialists' occupation of South Korea must be terminated at an early date.

U.S. Military Exercises in South Denounced

SK0906050690 Pyongyang KCNA in English 0439 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—The U.S. imperialists brought in succession formations of Pacific-based "C-130" transport planes carrying special forces and equipment to U.S. airbases in South Korea and deployed them in the operational area between 08:00 and 21:00 June 6, according to military sources.

The long hours of exercise divided into two rounds was aimed at increasing the real war capacity of rapidly moving and deploying the overseas-based aggression forces and operational equipment to the Korean peninsula in "case of emergency."

The U.S. imperialists on June 5 sent formations of Japan-based "C-130" transport planes carrying "commandos" to the sky above Yangpyong for a parachuting exercise in an area similar to the topography of the northern half of Korea.

They massively mobilized formations of "AH-1" and "CH-47" military helicopters and transport helicopters belonging to the U.S. imperialist aggression forces in South Korea and "AH-1" military helicopters belonging to the South Korean puppet army on June 3 and landed them on an airfield near the Military Demarcation Line so that "commandos" could advance into the "battle" area.

This exercise was aimed at increasing the real war capacity of secretly "infiltrating" the "commandos" into the strategic and operational depth of the northern half of Korea.

This shows that the U.S. imperialists and the South Korean puppets invariably pursue the policy of confrontation and war.

Introduction of U.S. F-16's in South Denounced

SK0906060290 Pyongyang KCNA in English 0514 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—NODONG SINMUN today denounces the U.S. imperialists for introducing "F-16" fighter bombers into their air base in Osan, South Korea, on June 6.

It is an open challenge to the entire Korean people and the peaceloving people of the world who want peace in Korea and its peaceful reunification that the U.S. imperialists deployed nuclear-capable fighter bombers of the latest type in South Korea at the time when disarmament and detente are becoming an international trend, says the paper in a signed commentary.

Their introduction of "F-16" fighter bombers proves that their "plan for reduction" of U.S. troops stationed in South Korea is no more than a crafty trick to hoodwink public opinion at home and abroad demanding the withdrawal of the U.S. troops and a plan for arms buildup to rationally redeploy armed forces under the cloak of "arms cut" and introduce new military equipment, the commentary says, and goes on:

It is unjustifiable that the U.S. imperialists are continuing to reinforce their forces of aggression only in South Korea under the absurd pretext of fictitious "threat from the North" and "equilibrium" at the time when the pullout of foreign troops from other countries has become a trend.

The Korean people do not have an illusion about "arms reduction" and "detente" on the lips of the U.S. imperialists and are watching with heightened vigilance the moves for aggression and war they are intensifying with cunning double-faced tactics.

PRC Foreign Ministry Cited on ROK Ties

SK0906052990 Pyongyang KCNA in English 0448 GMT 9 Jun 90

[Text] Beijing June 7 (KCNA)—A spokesman for the Foreign Ministry of China in a weekly news briefing in Beijing on June 7 reclarified the stand that China will not establish any official relations with South Korea.

Already on April 26 the Chinese Foreign Ministry spokesman categorically denied the remarks of the South Korean puppet prime minister that "talks" on the establishment of consular-level relations between China and South Korea were under way and stressed that there were no such things at all and that China's stand that it will not have any official relations with South Korea is steadfast and remains unchanged.

In the weekly news briefing, too, the Chinese Foreign Ministry spokesman, answering the questions of the reporters about relations between China and South Korea, said that China's stand toward South Korea had already been manifested in explicit terms, and stressed: There is no change in China's basic stand that it will not establish any official relations with South Korea.

No-Gorbachev Talks Denounced by South Students

SK0806153590 Pyongyang KCNA in English 1507 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—About 2,000 students in Seoul and Kwangju Thursday staged fierce demonstrations in denunciation of the "talks" between No Tae-u and Gorbachev, according to an AP report from Seoul.

They had clashes with the tear gas-firing riot police on campuses and streets, shouting the slogans "overthrow the No Tae-u 'regime'" and "let's oppose South Korea-Soviet diplomatic ties."

The students reportedly charged that the meeting between No Tae-u and Gorbachev was part of U.S. strategy to prolong the division of the Korean peninsula.

The demonstrators scattered leaflets here and there.

In the leaflets the students accused No and the United States of arranging talks between No and Gorbachev to freeze the peninsula's division and prolong the South's status as a U.S. colony.

The leaflets also said No and the United States sought establishment of diplomatic ties between South Korea and the Soviet Union as a step toward South Korea's "unilateral entry into the United Nations".

The students called for independent talks with North Korea, free travel, the demolition of the concrete wall built in the area South of the Military Demarcation Line and so on.

According to a radio report from Seoul, wall posters opposing No Tae-u-Gorbachev talks appeared on billboards at Korea and Seoul universities, drawing public attention.

A wall poster as large as five whole sheets of paper which was pasted up on the billboard beside the College of Literature of Korea University on June 2 said "the No-Gorbachev talks will, after all, lead to "simultaneous U.N. Membership" of the North and the South and to 'cross recognition' and result in perpetuating the division of the Korean peninsula."

It urged the Soviet Union "not to ignore the national and class contradictions of South Korea which is under the U.S. Occupation."

A wall poster which appeared at Seoul University on June 4, expressing desire for "anti-U.S. national salvation and national reunification" said "the 'Democratic Liberal Party regime' which is distrusted by the people is hatching up a plot to claim its orthodoxy at home and abroad, to remain long in power and have a permanent division legitimized internationally through the South Korean-Soviet summit talks."

The "National Council of Student Representatives" (Chondaehyop) and the "National Alliance of Democratic Movements" (Chonminnyon) of South Korea separately issued statements. "Chondaehyop" in a statement published June 4 printed out that the talks between No and Gorbachev were a "political tieup for freezing the division, which is a far cry from the peaceful reunification of the Korean peninsula", and urged their prompt suspension.

"Chonminnyon" in a statement June 5 charged that "No Tae-u's diplomacy is one subservient to superpowers and it is intended to bridge over the political crisis at home."

Demanding that "the Soviet Union do not cooperate in justifying division", the statement declared that the Soviet Union and the United States are both responsible for the division of the Korean peninsula since 1945.

"No's 'regime' is trying to perpetuate the division through 'cross recognition' by using the establishment of diplomatic ties between South Korea and the Soviet Union and realize its policy of unilateral entry into the United Nations". "Therefore, we consider it not helpful to the realization of the desire of the nation for peaceful reunification," the statement said, according to AFP.

Philippine Parliamentary Delegation Arrives

SK0806113590 Pyongyang KCNA in English 1042 GMT 8 Jun 90

[Text] Pyongyang June 8 (KCNA)—A Philippine parliamentary delegation led by Jose de Venecia, chairman of the Committee on Foreign Affairs of the Parliament and chairman of the sub-committee on monetary and credit policy, arrived here today.

It was met at the airport by Yi Song-ok, chairman of the Committee for the Promotion of International Trade and deputy to the Supreme People's Assembly, and other officials concerned.

Daily Views Attempts To 'Turn Back' Socialism

SK0906110790 Pyongyang KCNA in English 1021 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—The victory or failure of the revolutionary struggle and constructive work and the prospect of the cause of socialism entirely depend on how to strengthen the party and enhance its leading role, stresses NODONG SINMUN today. It says:

Dear Comrade Kim Chong-il expounded unique idea and theory on strengthening the party and enhancing its leading role in many works including the work published in June last year. This is a precious guideline that should be consistently upheld in resolutely defending the cause of socialism and carrying it to accomplishment.

Dear Comrade Kim Chong-il said:

"To strengthen the party and enhance its leading role is a decisive factor of the victory of revolution and it is a stark truth proven by the history of the international communist and working-class movements."

The idea and theory on strengthening the party and enhancing its leading role are all the more precious at the present historical moment when an acute struggle is going on between socialism and imperialism and the demand of the times stands out urgently, the demand that the tradition of the building of the revolutionary party of the working class be upheld.

Today the imperialists are making vicious attempts to turn back the socialist countries to capitalism by all sorts of crafty and insidious methods including ideological and cultural infiltration, economic bribery, creation of socio-political disturbance and directing the sharp edge of attack to disorganising parties of revolutionary countries organizationally and ideologically and paralysing their roles. As a result one unexpected event is taking place after another in the world political arena and the cause of socialism is facing a grave challenge. This reality of the revolution of our era is concretely analysed from a principled stand in the idea and theory of our party on the party building and activity and clearly elaborated in them is the idea that the communists and people should firstly and secondly strengthen the party and enhance its leading role in order to advance along the road of socialism to the end, holding high the banner of continued revolution.

Contained in the idea and theory of our party on strengthening the party is an idea that the work should be deepened continuously to consolidate the party organisationally in conformity with the demand of the developing revolution and strenuous efforts be made steadily to strengthen the ideological education of the party members and working people.

Our party has been strengthened and developed to be a powerful party the whole of which is dyed with the chuche idea and, on its basis, it has become firmly united in a ideology and purpose through a protracted struggle for the organisational consolidation of party ranks and into a revolutionary party in which all the party organsiations and its members move as one man under the monolithic leadership of party center.

We are still on the road of revolution and the ideological and cultural infiltration of the imperialists continues. Under this condition the work to consolidate the party organisationally must be constantly deepened. If the party members and working people are firmly armed with the revolutionary idea of the working class through their strengthened ideological and educational work, we do not need to be afraid of the imperialists' anti-socialist moves no matter how desperately they may intensify it.

Revolution is now making sound progress in our country and we cannot find any tendency of harbouring illusion about capitalism or loafing among working people and young people though we are standing face to face with U.S. imperialism. This is because our party has conducted an energetic ideological education among them.

The idea and theory of our party on strengthening the party and enhancing its leading role also clearly indicates the need for the party organisations, all levels and their functionaries to give party's proper guidance in economic work, consistently holding fast to the Taean work system and Chongsanri-spirit and Chongsanri-method, and strictly adhere to the mass line.

Indeed, the above-mentioned idea and theory of our party is the precious guideline that should be consistently maintained in steadily strengthening and developing the party to be an invincible and militant unit and victoriously advancing our most superior cause of socialism of chuche.

Daily Urges Dialogue for Reunification

SK0906104090 Pyongyang KCNA in English 1012 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—To develop dialogue is the only way of settling the national reunification question peacefully by incorporating the will of the whole nation, says NODONG SINMUN in an article Saturday.

Recalling that in his historical policy speech the great leader President Kim Il-song clarified the question of developing the dialogue between the North and the South as a point of the five-point policy to accelerate national reunification, the author of the article says:

Our nation demands a peaceful settlement of the reunification question. The only way to resolve the reunification question peacefully, not by means of war, is dialogue and negotiation.

What is important in it is that the dialogue between the North and the South must be one not for maintaining division, but for finding a practical solution to the reunification question.

In the North-South dialogue the fundamental problem for reunification must be solved, first of all. To avoid it and bring a matter of secondary importance to the fore is a splittist act of obstructing reunification by deceiving public opinion and dragging on the time. This must be denounced.

What is also important in developing the North-South dialogue is that it must not be a dialogue representing only the will of the authorities or specially limited circles, but a nationwide dialogue reflecting in a democratic way the will of all political parties, social organisations and people from all social strata.

National reunification is the nationwide work to achieve the complete sovereignty of the nation and national unity.

The door of the dialogue for reunification must be flung open to all the political parties, organisations and people of all social strata.

The dialogue between the North and the South can be successful only when the sides have correct stand and stance toward it.

Both parties to the dialogue must approach the dialogue with a sincere attitude to resolve the reunification question of the country by cooperating and uniting with each other and refrain from laying an artificial obstacle to it.

It is our consistent and firm stand to develop the dialogue between the North and the South so as to accelerate the reunification of the country. We will make every possible effort to see that the suspended dialogue is resumed at an early date and produce good results.

The deadlocked dialogues must be resumed and bilateral or multilateral dialogues of various forms which will be participated in not only by government authorities but also by all political parties, social organisations and people from all social strata and overseas compatriots must be arranged immediately.

If the South Korean authorities truly want peace of the country and its peaceful reunification, they must affirmatively accept our proposal to develop the dialogue into one for reunification, into a nationwide dialogue, and actively respond to it.

Daily on 'Favorable' Climate for Reunification

SK1106055790 Pyongyang KCNA in English 0530 GMT 11 Jun 90

["Just Policy for Creating International Climate Favorable for National Reunification"—KCNA headline]

[Text] Pyongyang June 11 (KCNA)—The great leader Comrade Kim Il-song laid down a policy that the North and the South should develop their foreign relations on the principle of creating a climate favourable for the reunification of the country. It is of weighty significance at present in the settlement of Korea's reunification question as it gives a new exposition of the principle to be maintained by the North and the South in their foreign relations and of ways for its implementation.

NODONG SINMUN says this in a signed article today.

The article quotes the great leader Comrade Kim Il-song as saying:

"Thirdly, the North and the South must develop their foreign relations on the principle of creating an international climate favourable for the independent, peaceful reunification of the country."

In their foreign relations the North and the South must always attach primary importance to the common interests of the nation and develop these relations so as to create a favourable international climate for preventing the perpetuation of national division and hastening national reunification.

If one resorts to the "northern policy" seeking a permanent division of the country and campaigns for "cross recognition" and "unilateral entry into the United Nations" as the South Korean authorities are doing now, the question of national reunification cannot be solved any time.

In their foreign relations the North and the South, from the view-point that they are the same nation, should give top priority to the common interests of the nation and make efforts to prevent the perpetuation of division.

In order to create an international climate favourable for the country's reunification, the North and the South must also avoid acts which might damage the nation's dignity and allow foreign forces to profit by them, and must team up with each other to defend common national interests and bring honor to the nation.

Korea's reunification is for the entire Korean people in the North and the South and they are the master of its undertaking.

Accordingly, the North and the South must always take a joint action in the international arena on the understanding that the North and the South are always the same nation. The confrontation and competition between the North and the South in the international arena do harm to the nation and favors only the outside forces that are trying to profit by the separation and split-up of our nation.

It is also important in preventing the perpetuation of division and creating a favorable international climate for Korea's reunification that those countries concerned and the United Nations make a proper contribution to finding a fair solution to the Korean question.

The United States, as the party which is directly responsible for the Korean question, must play a positive role in realising Korea's reunification. It must stop trying to keep Korea divided and use it for their aggressive purpose and must give up the divisive line for barring Korea's reunification.

Those countries concerned with the Korean question must not follow the divisive policy of the United States or be implicated in it, but maintain a principled attitude conducive to the reunification of Korea.

The Japanese authorities must repent of the crimes Japan committed in the past and apologize to the whole Korean nation for them and stop the criminal acts to freeze the division of Korea.

The United Nations should not allow itself to be used to delay or obstruct the reunification of Korea.

Anti-Japanese Demonstration Anniversary Marked

SK0906225890 Pyongyang KCNA in English 2214 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—A Pyongyang meeting was held today in commemoration of the 64th anniversary of the anti-Japanese June 10 demonstration.

Attending the meeting together with working people were Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party, and Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party, and others.

Yu Ho-chun, director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland, delivered a report at the meeting.

The anti-Japanese June 10 demonstration was a massive anti-Japanese patriotic struggle to achieve the national sovereignty and the independence of the country against the colonial rule of the Japanese imperialists in Korea.

The anti-Japanese June 10 demonstration which ended in a failure because of its essential weakpoint and of the Japanese imperialists' brutal suppression taught that in order to win in the national liberation struggle it is imperative to build internal revolutionary force on the basis of the correct programme and strategy and tactics of the struggle under the guidance of an outstanding leader and wage a powerful organised struggle with the united strength of the whole nation, the reporter said, and continued:

The U.S. imperialists' colonial domination over South Korea is, in essence, little different from the colonial rule of the Japanese imperialists in the past. The U.S. imperialists are recently shipping more uptodate military hardware and nuclear arms into South Korea under the pretext of deceptive "arms reduction", while the Japanese reactionaries, instigated by the U.S. imperialists, are further tightening politico-military tieups with the South Korean puppets.

Noting that at the time when it needs to heighten vigilance more than ever before against the revival and reinvasion moves of the Japanese militarists, the traitor No Tae-u recently went to meet the Japanese reactionaries and had a confab on disgracefully "settling" the affairs of the past and "forming new friendly relations", he branded this as an intolerable betrayal to the Korean nation but an unpardonable treachery to the Asian people who were damaged by the Japanese imperialists in the past days.

The reporter said that the desire of the participants in the anti-Japanese June 10 demonstration for sovereignty and independence should be realised on a nationwide scale at an early date.

In order to achieve the reunification of the country and establish national sovereignty on a nationwide scale, the South Korean people should wage a more vigorous struggle to get the U.S. imperialists withdrawn from South Korea, terminate the military fascist dictatorship of the No Tae-u group, a dual stooge of the U.S and Japanese aggressors, and realise social democratisation under the banner of anti-U.S. independence, anti-fascist democratisation they have already held up, he noted, adding:

The new five-point policy of national reunification laid down by the great leader Comrade Kim Il-song in his historic policy speech is a banner of national reunification to be jointly held up by all the Korean compatriots in the North, the South and abroad. All the compatriots in the North, the South and abroad should actively carry into effect the proposal of the joint meeting of all political parties and social organisations in the northern half of Korea for forming a "preparatory committee for national reunification" as an organisation of a nationwide united front.

The United States and South Korean authorities must give up the criminal "two Koreas" policy and show an affirmative response to realising our new five-point policy of national reunification.

The United States must accede to the "disarmament proposal for peace on the Korean peninsula" which was set forth at the joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the DPRK on May 31, come out without delay to the DPRK-U.S. talks or tripartite talks to sign a peace agreement and play an affirmative role in the realisation of the reunification of our country.

Anniversary Marked in South

SK1106054790 Pyongyang KCNA in English 0458 GMT 11 Jun 90

[Text] Pyongyang June 11 (KCNA)—Some 15,000 citizens and students in 14 cities of South Korea held joint memorial services for the democratic martyrs and rallies to inherit the spirit of the June popular resistance, before staging fierce demonstrations, Sunday to mark the third anniversary of the June 10 popular resistance, according to a report.

An estimated 2,000 citizens and students gathered in Songgyungwan University in Seoul to honor the memory of 110 martyrs including Chon Tae-il who fell in the struggle for democracy and vital rights and to inherit the spirit of the June popular resistance. Their gathering was sponsored by the people's alliance for the frustration of one-party dictatorship of the "Democratic Liberal Party [DLP]" and for the achievement of people's vital rights and the "Seoul District Federation of General Student Councils".

The participants vowed to deter the one-party dictatorship of the "DLP" and achieve democracy, carrying forward the desire of those who died for democracy and vital rights.

Then, they started a demonstration, shouting "dissolve DLP".

Some 1,000 workers and students who were kept by the police from entering the campus held a rally separately at Hanyang campus and staged a fierce demonstration, pelting the police with stones and firebombs.

Anti-"DLP" demonstrations were reported in Pusan, Taegu, Kwangju, Cheju and other areas, too.

In Chongju a group of students attacked the Chongju district office of the puppet labour ministry and threw petrol bombs at it.

That day the fascist clique mobilized a 35,000-strong police force of 240 companies throughout South Korea.

Meetings Held Marking Kim Il-song Reelection

SK0906043690 Pyongyang KCNA in English 0419 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—meetings were held in cities, counties (districts), organs, industrial establishments, universities and units of the Korean People's Army including Yokpo and Samsok Districts, Pyongyang, Sinpo, South Hamgyong Province, Kim Hyong-chik County, Yanggang Province, the Chonnae District Coal Mining Complex, the February 8 Cement Complex, the Hwanghae General Tideland Reclamation Enterprise, the Hyesan Chongnyon Mine, the Yonam Forestry Station, the UNPA Geological Survey Team and Wonsan University of Agriculture to congratulate the great leader Comrade Kim Il-song on his reelection as president of the Democratic

People's Republic of Korea and carry through the tasks set by him in his historical policy speech.

Speakers at the meetings noted that the reelection of the great leader Comrade Kim Il-song at the head of the DPRK is an expression of the unquestioned trust of the Korean people in and their ardent fidelity to him who has devoted all his life to the sacred cause of the liberation of the country and its development and prosperity and performed undying feats for the country and the people, for the times and the history and a manifestation of their firm will to accomplish the revolutionary cause of chuche to the end under his leadership.

Through their life experience, the Korean people keenly realised that socialism of our country which was established by the great leader Comrade Kim Il-song and is being directed by dear Comrade Kim Chong-il is the most superior socialism and the unbounded prosperity of the country and the eternal happiness of the Korean nation lie in further consolidating and developing socialism of our own style, the speakers said, and stressed:

This is why the Korean people have deep pride and self-confidence in socialism of our country, their hearts burning with the loyal determination to fight it out for the accomplishment of the cause of socialism following the great leader and the great party.

Pointing out that the historical policy speech of the great leader is an inspiring banner which instils firm confidence in the victory of the cause of socialism and the sure prospect for the future into the hearts of the Korean people, the speakers vowed to carry through the tasks set in the policy speech.

They resolved to strengthen the might of the socialist homeland in every aspect by conducting a dynamic campaign for increased production and economies in all domains and at all units of the national economy with the spirit of absoluteness and unconditionality in implementing the resolutions and orders of the party.

Congratulatory messages to President Kim Il-song or resolutions were adopted at the meetings.

Daily Praises Realization of Chuche Idea

SK0206051590 Pyongyang KCNA in English 0456 GMT 2 Jun 90

[Text] Pyongyang June 2 (KCNA)—The great leader Comrade Kim Il-song gave a comprehensive exposition of the main characteristics and advantages of our socialism embodying the chuche idea in "Let Us Bring the Advantages of Socialism in Our Country Into Full Play," the historical policy speech addressed to the First Session of the Ninth Supreme People's Assembly. In this connection, NODONG SINMUN Friday devotes one whole page to a signed article titled "Our Socialism Advancing Under the Banner of the Chuche Idea Is Invincible."

The article consists of three parts. The first part of the article says that ours is a solid socialism which has started under the banner of the chuche idea and struck its deep roots in this land, the second part that it is fully demonstrating its inexhaustible might and advantages, and the third part that it is a viable socialism dynamically advancing with a most bright prospect.

In the first part the article notes that ours is a solid socialism which has started under the banner of the chuche idea and struck its deep roots in this land. It reads in part:

The great leader Comrade Kim Il-song said in his policy speech:
"Our people have overcome many bitter trials and shed a lot of sweat and blood in their struggle for socialism, but not in vain. They have become complete masters of their destiny and laid lasting, unshakable foundations of socialism on this land."

Our socialism has struck its historical roots since founding of the great chuche idea, its guiding idea.

The historical roots of our socialism have been provided from A to Z by its internal forces, the true communists of Korea with the firm conviction of socialism.

Ours is a solid socialism which has struck its mighty roots in the hearts of the entire people, in all provinces of the revolution and construction.

We thoroughly established chuche in ideology, above all, so that our socialism has become a most solid one.

Only when chuche is established in ideology, is it possible to firmly arm the popular masses with the revolutionary idea of the leader, the guiding idea of their revolution.

If one is infatuated with flunkeyism, failing to establish chuche in ideology, one may waver according to the changes of the situation and take a wrong path contrary to socialism. Then, one cannot build socialism in keeping with the specific conditions of one's own country and with the aspirations of one's own people.

We have held fast to the line of building an independent national economy and thus built a solid socialism which has struck its strong roots in this land.

If we fail to build an economy which can stand on its own feet, we are apt to succumb and go begging to the imperialists and, finally, abandon the dignity of the country and the nation and even the fundamental principles of socialism. This is a serious lesson taught by history.

The solidity of socialism in economic construction, in the final analysis, finds its expression in the building of an economy which is not dependent on others but relies on one's own efforts and resources and which is capable of providing one's own people with an affluent material life.

We have made strenuous efforts to establish chuche in the building of culture and national defence as well.

Ours is thus a socialism which has comprehensively applied the chuche idea in ideology, politics, economy, culture, national defence and all other domains and a socialism which has developed independently and covered an untrodden path.

That is why we say with pride that ours is a most solid, viable socialism which has struck its deep roots in this land, a unique socialism of our own style.

The article says in the second part:
The basic advantages of our socialist system lie in that it is, in short, a man-centred social system embodying the principle of the chuche idea.

We have fought with the chuche idea as the guiding compass, building in this land an ideal man-centred society which holds man dearest and where everything serves for the realisation of the intrinsic demands of man. The basic advantages and invincible might of our social system trace their origin to the thorough embodiment of the man-centred socio-historical principle of chuche, not the material-centred socio-historical principle.

Our man-centred socialism is a superior socialism under which the principle of collectivism is fully applied and whole society is united closely in one idea and purpose.

Our socialist society is a harmonious great family whose members are all united firmly with revolutionary Comradeship and noble sense of obligation, a society of single-hearted unity where the leader, the party and the masses are welded into one ideological and political organism.

Our man-centred socialism is a popular socialism which values the dignity of human-being and in which the state provides the entire people with true happiness and a priceless life.

Our socialist society is a society where popular policies are constantly pursued and socialist democracy is daily brought into full play, a solid society where bureaucratism has been liquidated and the closest relationship established between the state power and the popular masses.

The advantages of our man-centred socialist society, to which the chuche idea is applied, find concentric expression in that the entire people fully enjoy a political life, a material life and a cultural life.

The great leader Comrade Kim Il-song said in his policy speech:
"Every one of our people is now leading a political life, a cultural life and an economic life which accord with man's intrinsic desire as social being and with socialist ideals."

In our country today all the working people discharge with honour their responsible duties for the society and the collective as full-fledged masters of the state power and exercise unreservedly equal freedom and rights.

The imperialists are now talking loudly about "equality of all people" and "freedom of individuals." But this is a lie. Such thing can never exist or be realised. The freedom advertised by the imperialists is the freedom of pursuing only the interests of individuals, ignoring the common interests of society, the freedom of the rich and the past master of swindle exercising unlimited power and the equality advocated by them is equality in defending the law which protects the capitalist relations of exploitation.

We should see material life from a viewpoint centered on the popular masses and from collectivist outlook on life.

The imperialists loudly advertise the "affluence" of material life in capitalist society. The reality of capitalist society is that the rich live a life unworthy of man as they have too much money and the poor undergo sufferings and misfortunes as they have no money.

The quite different realities of the capitalist society where the overwhelming majority of people are forced to an inhuman life as slaves of money and our society where all the people lead a sound material life without disparity in wealth, evenly enjoying social and material benefits, fully prove which society is a popular society that really reflects the intrinsic desire of man.

The advantages of our socialism find clear expression in ideological and cultural life, too.

Mental cripples who know only money and goods and live in a happy-go-lucky fashion with no idea or hope cannot be found in our society.

Political life, material life and ideological and cultural life, the three major fields of social life, are developing in a balanced way and thus the might of our country is now growing as a whole.

We have built a mighty and dignified country by making allround progress in all political, economic, cultural and military domains through a dynamic work of remoulding men, remaking nature and transforming society under the banner of the chuche idea.

The article in the third part says:

Dear Comrade Kim Chong-il has taught:
"... Socialist society is a sound and vivacious society which is vibrating with the creative life of the people; It is a promising society which is continuing to advance towards a bright future."

The bright prospect of our cause of socialism is guaranteed by the most scientific and revolutionary general line and the powerful subject of revolution capable of brilliantly carrying it into practice.

The general line maintained by our party and people in socialist construction is to dynamically push ahead with the three revolutions—ideological, technical and cultural—while strengthening the people's power and constantly enhancing its function and role.

Only when the people's power is strengthened and its function and role are constantly enhanced is it possible to maintain the working-class character of socialist society, defend the socialist system from the attacks of the imperialists and give full play to the creative power of the masses and thus powerfully accelerate the revolution and construction.

The three revolutions, ideological, technical and cultural, is the fundamental way of building socialism and communism.

The cause of socialism which started with the struggle to overthrow an outdated exploiting system is carried forward to completion through the struggle to do away with the ideological, technical and cultural backwardness, the leftover of the old society, which remains still in socialist society.

The subject of the revolution is a decisive factor in speeding up the revolution and construction.

In our country today the might of the party, the hardcore force of the subject of the revolution, has increased as never before.

With the great party standing in the van of our revolution the revolutionary principles and class stand are resolutely defended under whatever difficult and complicated circumstances, and all the questions arising in the transformation of nature, society and man solved successfully.

The solidness of the subject of the revolution is immediately the solidness of the close ideological and purposeful unity of the entire people behind the party and the leader. Any biggest difficulty that may confront socialist countries is ascribable to no other factor than the fact that the party failed to revolutionize broad segments of the masses and unite them into one.

Today our country has achieved the most solid, single-hearted unity ever known in history.

The bright prospect of our socialism is guaranteed by the unshakable conviction of our people determined to accomplish the cause.

The conviction of our people—this is the faith with continuity safeguard and develop forever all the achievements and feats gained in socialist construction under the guidance of the great leader Comrade Kim Il-song. The indestructible might of our socialism and its bright prospect lie in that the entire people, with the faith with continuity, remain faithful to the guidance of the party and the leader.

Today our socialism is developing with the active support and assistance of broad sections of the world people who aspire after chajusong.

In conclusion, the article stresses that our cause of socialism advancing under the banner of the chuche idea is invincible for good.

Lake Sijung Developed as Tourist Resort

SK0906053690 Pyongyang KCNA in English 0504 GMT 9 Jun 90

[Text] Pyongyang June 9 (KCNA)—The area around Tongchon County, Kangwon Province, on the east coast of Korea is being built into a recreation center and tourist resort of peculiar shape.

Modern service facilities and bathing beaches will be built in this area. About 20 hotel buildings of unique architectural style will be built on Lake Sijung which is famous for mud treatment and surrounding hills.

The hotels will have rooms with five or six beds or with one or two beds, dining halls, amusement rooms and service facilities.

The hotels will be built in various architectural shapes, in separate buildings or blocks of three buildings, to match the landscape of beaches and hills thick with pine trees.

The hotels with a floor space of 300-600 square metres each and the rooms with a floor space of 20-25 square metres each will make tourists feel at home.

Lake Sijung is a scenic spot some 50 kilometres from Wonsan, a port city of culture.

South Korea

No Seeks International Help for Korean Summit

SK0906014790 Seoul YONHAP in English 0119 GMT 9 Jun 90

[Text] Seoul, June 9 (YONHAP)—South Korean president No Tae-u has appealed for international cooperation to realize a summit meeting with North Korean leader Kim Il-song, it was reported Saturday. In an interview with the vernacular daily HANGUK ILBO on its 36th anniversary, No said: "We will see what we can do directly for a summit with North Korea... I have asked for the cooperation of the Soviet Union and other countries concerned with the Korean question. "The best way to improve inter-Korean relations is to maintain the position that we will never seek military superiority over the North and to persuade them with that logic. I hope and believe North Korea will change too."

On relations with Beijing, No said that he hoped he would see the day "when the environment matures and when I can talk with the highest leader of China about the development of bilateral ties." "I believe the changes on and around the Korean peninsula brought by the Seoul-Moscow summit will accelerate the development of Seoul-Beijing ties," he said.

No, who held summit talks with Soviet President Mikhail Gorbachev in San Francisco on Monday, predicted Seoul-Moscow cooperation in the economic sector will be enhanced when the two nations set up diplomatic relations. He hinted at early signing of an investment guarantee pact and an accord on avoidance of double taxation with the Soviet Union. "The government is working on systematic measures to get rid of obstacles to its economic cooperation and rade with the Soviet Union," No said.

Seoul's bid for U.N. membership "is nothing to hurry," No said. "The government will handle this matter in a way conducive to improving South-North relations." South Korea wants to join the world body either jointly with North Korea or by itself, but has been abstaining from filing an application for fear that it might be vetoed by North Korean allies, the Soviet Union and China. After a meeting between the vice foreign ministers of South Korea and the Soviet Union in New York in April, it was widely believed that Moscow would be unlikely to veto a bid for U.N. membership and that Seoul would be likely to apply this year.

North Korea had long opposed the idea of U.N. entry by both Seoul and Pyongyang on the grounds that it would only perpetuate the division of the Korean peninsula, but in a turnabout that followed Seoul's announcement of a summit between No and Gorbachev last week it called on Seoul to share a U.N. seat. Seoul immediately dismissed the offer as being aimed at blocking its admission to the world body.

Turning to domestic politics, No said it was not the right time to discuss constitutional amendment for introduction of a parliamentary government system. "The Constitution can be revised as the people wish, but now is not the right time to discuss amendment. There are too many problems and tasks to deal with inside and outside the country to discuss constitutional amendment," he said.

Asked who the Democratic Liberal Party (DLP) will nominate to succeed him as president, he said: "It is inappropriate to talk about this question when less than half my tenure has expired. "I can only say that the DLP will select a candidate for the presidency by the democratic procedures stipulated in the party's statutes, reflecting the will of party members and the people."

It is widely rumored that life-long opposition leader Kim Yong-sam threw in his lot with No's party, then the Democratic Justice Party, in February because he had been promised the top spot in the ruling party and the DLP nomination for president. Kim is now DLP chairman, the no. 2 man in the party. The rumors gained ground recently as some quarters in the DLP began to talk about amendment of the constitution to introduce a parliamentary system, which Kim Tae-chung's Party for Peace and Democracy says contradicts the people's preference for a presidential system.

No Urges Policy To End North's 'Isolationism'

SK1106082990 Seoul YONHAP in English 0627 GMT 11 Jun 90

[Text] Seoul, June 11 (OANA-YONHAP)—President No Tae-u ordered the government and the Democratic Liberal Party to come up with a bold policy Monday to end North Korea's isolationism and encourage the hardline communist state to open up and reform.

"We must take steps to effectively cope with changes, whatever they may be, in North Korea, while giving North Korea a reason to make changes," No told a consultative meeting of the government and the ruling party. "Advances in South Korea-Soviet relations will inevitably lead to changes in North Korea, and will be a short cut to eliminating the danger of war in our land and opening an era of peace and reunification," the president said.

Noting that he and Soviet President Mikhail Gorbachev agreed that their meeting last week was evidence of a change in the cold war confrontation on the Korean peninsula, No said Korea should "wisely develop ties with the Soviet Union from the standpoint that it will contribute to the prosperity and development of the two countries as well as to opening a new history of peace, reunification and self-reliance on the Korean peninsula."

But he cautioned against expectations for improved ties with Moscow and Pyongyang. "We should think of what we should do to improve ties with the Soviet Union and North Korea and should carry out the task after deep analysis and review..., but we should realize that we have just started it. We need indefinite wisdom, perseverance and endurance so that our efforts can bear the fruit of reunification," No said.

No recalled that he and Gorbachev had agreed to set up full diplomatic relations in the not too distant future but said any discussion of promoting economic cooperation with the Soviet Union must be carried out on the foundation of close consultation by the government, the ruling party and businesses. He warned against promoting economic cooperation with Moscow by sporadic contacts and discussions before the government has set a basic direction for economic cooperation. "If the party, government and business circles say different things, it could confuse the people and lead them to distrust the government," No cautioned. This is seen as a warning against the overexuberant chase for Seoul-Moscow relations since No's historic meeting with Gorbachev in San Francisco on June 4. "Waves of reform and changes in the world are flowing into Northeast Asia, especially the Korean peninsula. Whether we will lead it to peaceful reunification totally depends on our ability from now on," the president said.

North Willing To Use Force To Stop UN Bid

SK0906092390 Seoul Domestic Service in Korean 0800 GMT 9 Jun 90

[Text] Tokyo, YONHAP—Quoting Western sources, Japan's SANKEI SHIMBUN today reports that when North Korea's Kim Il-song met with Deng Xiaoping during his secret visit to China near the end of last year, he told Deng that he could not help but commit a provocation if the ROK attempted to enter the United Nations, because such a move would aggravate tension on the Korean peninsula. Therefore, Kim Il-song expressed that in the case of such an unexpected situation, he would be willing to initiate military action.

In addition, SANKEI SHIMBUN reports that when Kim Il-song asked Deng Xiaoping to veto the ROK's attempt to enter the United Nations, Deng promised to do so.

Pointing out that although Kim Il-song's remarks are viewed as having been a warning designed to prevent the ROK from trying to improve relations with the Soviet Union at that time, as well as to prevent its attempt to enter the United Nations through negotiations with the Soviet Union, SANKEI SHIMBUN reports that the West must act prudently because recent ROK-Soviet contacts are complicating the situation in the Far East.

North's Proposal Viewed Positively by Lawmakers

SK0806023090 Seoul YONHAP in English 0143 GMT 8 Jun 90

[Text] Seoul, June 8 (YONHAP)—Voices are being raised in South Korea's ruling party for more positive efforts to pry open North Korea, the most closed state in the world. Many lawmakers from Democratic Liberal Party (DLP) Chairman Kim Yong-sam's faction, the former opposition Reunification Democratic Party (RDP), argue that South Korea should positively consider a new North Korean proposal for arms reduction on the Korean peninsula and the signing of a non-aggression treaty.

The RDP's merger with the ruling party and another opposition party gave birth to the DLP, headed by president No Tae-u. The RDP faction says Monday's summit between No and Soviet leader Mikhail Gorbachev will reduce tension on the divided peninsula and Seoul should make efforts to support the trend. Rep. Pak Kwan-yong, chairman of the National Assembly Special Committee on Reunification, said Friday that the government should seek a way to accommodate the North's proposal for a non-aggression pact.

"The government should boldly revise the National Security Law so it recognizes North Korea as a dialogue partner. It should stop slandering North Korea, and start creating an atmosphere for dialogue. We will raise this point during a committee session and at a DLP meeting," he said.

Rep. Kim Tok-yong said the National Security Law should be broadly rewritten to reflect changes on and around the Korean peninsula. "We still hear cold war logic in the DLP, but we have to seek revision of the National Security Law by drawing sympathy for the need to change it. We should encourage North Korea's opening through political and military talks at the same time," the lawmaker said.

The faction members said RDP founder Kim Yong-sam shared their opinion on broad revision of the National Security Law. The two other DLP factions disagree. Members of the largest faction, the former ruling Democratic Justice Party (DJP), say the government should act on North Korea's response to the Seoul-Moscow summit. Kim Chong-pil's faction, the former New Democratic Republican Party (NDRP), says it is premature to vastly revise the National Security Law.

The National Security Law provides the legal basis for jailing people who support or sympathize with North Korean cause or policies.

Last weekend, North Korea proposed a set of measures for arms reduction in addition to its standing call for replacement of the Armistice by a non-aggression pact. The proposal includes creation of a peace area inside the Demilitarized Zone, halting military drills at division level and above, establishment of an inter-Korean hot line, and cutting troop levels to under 100,000 after three reductions within three or four years.

Pak Chol-on Forms 'Northern Policy' Committee

SK0806044690 Seoul THE KOREA TIMES in English 8 Jun 90 p 2

[From the "Press Pocket" column: "War of Nerves"]

[Text] Former first state minister for political affairs Pak Chol-on's course of action is attracting attention again timed with the formation of a special committee on "northern policy" in the ruling Democratic Liberal Party [DLP]. An intra-party war of nerves is likely to resume over who will head the special panel to be composed of up to 30 members which the DLP decided to set up in a meeting of Executive Committee yesterday to back the government's nordpolitik, following the first meeting between President No Tae-u and Soviet President Mikhail Gorbachev.

The Kim Yong-sam faction appeared to want senior members Rep. Chong Chae-mun or Rep. Hwang Pyong-tai to take over the chairmanship while a few senior members of No's old ruling party carefully suggested that Rep. Pak Chol-on be tapped to the post.

Pak, who is known as the Kissinger of Korea for his secret diplomacy which helped lead to the establishment of full diplomatic relations with Hungary and four other East European countries, was relieved of the post of the first state minister for political affairs and subsequently of the party's Executive Committee in April after a struggle with Kim Yong-sam for party hegemony. Reps. Chong and Hwang have acted as key aides to DLP executive chairman Kim Yong-sam on foreign affairs.

A senior DLP officer said that whether Pak will be able to rollback as chairman of the panel is wholly up to Kim Yong-sam, who is firming up his grip as No. 2 man in the ruling party hierarchy after President No.

Kotra Launches Drive for Trade With North

SK0806025090 Seoul YONHAP in English 0229 GMT 8 Jun 90

[Text] Seoul, June 8 (OANA-YONHAP)—The Korea Trade Promotion Corp. (Kotra) of South Korea has launched a multi-pronged drive to promote indirect trade with North Korea and three-way trade involving both Koreas and China or the Soviet Union. The state-run corporation says conditions for economic cooperation with the Soviet Union and China improved with the Korea-Soviet summit on Monday and so it decided to seek indirect trade and economic exchanges with North Korea and to involve the two communist giants in order to induce North Korea to open its economy.

A five-member Kotra team will visit China's three northeast provinces—Liaoning, Jirin and Heilongjiang—for 15 days from June 20 to study economic conditions near the border with North Korea. The team will visit the cities of Shenyang, the capital of Liaoning Province, Harbin in Heilongjiang Province, Yanji in the Yanbian Korean autonomous district and the border cities of Tumen and Hunchun in Jirin Province.

In Yanji, the Kotra team will discuss the possibility of a South-North Korean joint venture. Three-way trade involving the two communist superpowers and the two Koreas will be the main topic in Tumen, Hunchun and Harbin. Team members will be selected from government and private economic institutes, including the Korea Institute for Economics and Technology.

Kotra made a study of North Korea's economic situation and possible items for inter-Korean trade through its branches in eastern Europe last year. Kotra officials said North Korea recently moved joint venture factories from Pyongyang to the border village of Hapsando on the Tuman River, which they said indicates that it is still difficult for foreign businesses to operate in the center of North Korea. The team will, therefore, focus on the possibility of economic exchange in North Korean-Chinese border areas, they said.

Mun's Conviction for Visiting North Upheld

SK0806063390 Seoul YONHAP in English 0633 GMT 8 Jun 90

[Text] Seoul, June 8 (OANA-YONHAP)—The Supreme Court upheld Friday the conviction of the Rev. Mun Ik-hwan on charges of violating South Korea's National Security Law by visiting North Korea without government permission in March 1989. The Supreme Court also denied the appeal by Yu Won-ho, who accompanied Mun on his unauthorized trip to Pyongyang, bringing an end to the appeals process. Mun, 72, a prominent dissident, and Yu, a businessman, were sentenced to seven years in prison each.

Waves of shock rippled throughout the nation when Mun and Yu made a 14-day trip in March last year to Pyongyang via Tokyo and Beijing in defiance of a government ban on trips by South Koreans to the North under the stiff National Security Law. The pair met with North Korean president Kim Il-song to discuss reunification of the Korean peninsula. Mun said he made the visit out of a pure desire for national reunification, but the government said he had clearly violated the law, which bans contact with and visits to North Korea by South Koreans, and so had to be severly punished.

U.S. Official on Upgrading Contact With North

SK0906020990 Seoul YONHAP in English 0201 GMT 9 Jun 90

[Text] Washington, June 8 (YONHAP)—The United States is ready to upgrade its contact with North Korea if Pyongyang shows it is sincere about promoting relations with Washington and dialogue with Seoul, a senior State Department official said Thursday. Richard Solomon, assistant secretary of state for Asia and the Pacific, told South Korean correspondents that Washington hopes to see an improvement in inter-Korean relations but also in relations between the United States and North Korea. The United States will keep the door open to North Korea and continue expanding dialogue, he said.

Explaining his view on the political situation in Asia, Solomon described the meeting on Monday between the presidents of South Korea and the Soviet Union as an initiative for introducing European reforms to Asia. Solomon likened the unprecedented meeting between President No Tae-u and Soviet leader Mikhail Gorbachev to U.S. actions taken 19 years ago for the normalization of relations with China, and said Washington believes No's efforts to set up constructive dialogue with the Soviet Union could help ease tension in Asia.

Since the world is now witnessing an era in which communist nations are failing in both internal and external policies, Solomon said he was convinced complete normalization of relations between South Korea and the Soviet Union would be realized.

Touching on Washington-Pyongyang relations, Solomon said that the U.S. Government would take corresponding action should North Korea make positive gestures as with the recent return of the remains of five U.S. soldiers killed in the Korean war. He said he did not find any problems with the existing channel of contact between Pyongyang and Washington but the United States was ready to expand the channel if progress was made in U.S.-North Korea relations and inter-Korean dialogue. The U.S. and North Korean embassies in Beijing have maintained counselor-level contact since last year, but Pyongyang has proposed an upgrade to ambassadorial-level contact.

Solomon said relations between Washington and Pyongyang would have a basis when North Korea made a gesture that was acceptable by normal international standards to express its willingness to become a member of the international community. He said the most important task North Korea faced was to join the safeguards regulations of the International Atomic Energy Agency (IAEA).

Asked whether the U.S. Government would quicken withdrawal of its troops from South Korea due to rapprochement between Seoul and Moscow, Solomon said the primary reason for the U.S. military presence in South Korea was the military threat from North Korea. Solomon said his government would take it into consideration when it examines plans for additional troop reductions if the security situation on the Korean peninsula improves through inter-Korean dialogue and if North Korea cuts its military strength to a level necessary for defense, as the Soviets are doing.

Asked about No's proposal for joint-venture participation by the United States, Japan and South Korea in development projects in Siberia, the State Department official said he thought it was unrealizable until the Soviet Union reformed its inefficient economy.

Gorbachev's Relations With Kim Il-song Viewed

SK1006005990 Seoul THE KOREA TIMES in English 10 Jun 90 p 1

[By Yu Cha-sok, KOREA TIMES correspondent]

[Text] Hong Kong—Soviet President Mikhail Gorbachev is likely to oust North Korean leader Kim Il-song in a similar way in which he toppled East German leader Erich Honecker late last year, a pro-Beijing Hong Kong newspaper reported Saturday. In a front-page commentary, the Shinwanbao said that there is high possibility Gorbachev might take the example of the East German case in North Korea to project reforms to the closed society.

Noting that THE LOS ANGELES TIMES interpreted the ultimate goal of Gorbachev's acceptance of Seoul's call for his meeting with President No Tae-u as to bring about political and economic reforms to North Korea, the daily said that the focal point lies in what reaction North Korea would make to the meeting. It added that also drawing attention were what compromises the United States and the Soviet Union have reached in last week's superpower summits and whether the Soviet Union and South Korea could establish diplomatic relations in September, as widely speculated. It came amid unconfirmed reports here that the Soviet Union has suspended crude oil supply to North Korea in a bid to put pressure on its longtime ally to open its doors to outside world and reform its society.

USSR Reportedly Cuts Oil Supplies to DPRK

SK1006004090 Seoul THE KOREA HERALD in English 10 Jun 90 p 1

[Text] The Soviet Union abruptly stopped oil supply to North Korea shortly before the San Francisco summit between South Korean President No Tae-u and Soviet President Mikhail Gorbachev, MBC-TV [Munhwa TV-Radio Broadcasting Corporation] reported last night quoting a diplomatic source in Japan who recently visited Pyongyang.

MBC-TV further said the Soviet Union and North Korea entered a severe confrontational phase both in diplomatic and economic fields following Moscow's unilateral cut-off of oil supply. The Soviet action, which was received by Pyongyang as the worst crisis between the two nations in history, seemed to have much to do with its move to have diplomatic ties with Seoul sooner or later, MBC report said.

Pyongyang expressed its displeasure toward Moscow by recalling Son Song-pil, North Korean ambassador to Moscow, prior to the No- Gorbachev summit talks. The Soviet Union has reportedly been supplying about 40 percent of Pyongyang's crude oil imports.

No Promises Task Force To Push Summit Accords

SK0906010690 Seoul THE KOREA HERALD in English 9 Jun 90 p 1

[Text] Aboard the presidential plane—President No Tae-u said yesterday a special government task force will work out measures to push ahead with agreements reached in his talks with Soviet leader Mikhail Gorbachev. The team will soon be launched with the participation of officials from ministries concerned, the President said during an impromptu press session aboard the presidential plane on his way back home.

No said he believes his meeting with Gorbachev has offered an "epochal turning point" in ensuring peace on the Korean Peninsula and opened the way to unification. He stressed that efforts should be made to make the most of the outcome of the summit not only in diplomacy but also other fields of national administration. "Diplomatic and other state affairs cannot be managed by the President alone," No said. "All the people, including ruling and opposition politicians and leading figures in all sectors of society, should offer help in increasing national interests with the spirit of participation."

Banks To Study Feasibility of Soviet Deals

SK0706014890 Seoul THE KOREA TIMES in English 7 Jun 90 p 10

[By Staff Reporter Yi Chang-sop]

[Text] Korean and Russian banks are seeking ways of setting up joint venture banks in the Soviet Union and opening offices in both countries. Two Soviet banks—Baikal Bank and the Bank for Foreign Economic Affairs—have shown a willingness to set up joint venture banks in the Soviet Union with Korea's Cho Hung Bank and Korea Exchange Bank, respectively. The Russian Baikal Bank has contacted Korea's Cho Hung Bank to establish the Korea-Russian joint venture bank.

according to banking sources. Cho Hung last week dispatched two senior officials to the Soviet Union to conduct a feasibility study, the bank said. The Bank for Foreign Economic Affairs is also engaged in negotiations with the Korea Exchange Bank to search for ways to create a joint venture bank in the Soviet Union.

Many of Korea's Commercial banks have opened correspondent banking relationships with leading Russian banks. Both countries are likely either to open banking offices or to establish joint venture banks in the future, as the two countries are likely to normalize diplomatic relations.

The Export-Import [Exim] Bank of Korea is ready to open Korea's first banking office in Moscow as soon as the finance Minister gives it the green light. The Russian Bank for Foreign Economic Affairs is set to open its office in Seoul in the near future, banking sources said.

So far this year, Korea has extended $19 million in syndicated loans to the Soviet Union. About ten loans to the Soviet Union. About ten loan applications have been filed with Korean banks so far this year from the Soviet Union, they said.

If the two countries normalize diplomatic relations, Korean banks are likely to offer fresh loans to the Soviet Union. As Korea and Korean banks are currently enjoying a better international credit standing than the Soviet Union and Russian banks, Korean banks will borrow foreign currencies abroad at cheaper prices and then relend them to the Soviet Union. Such off-shore financing will be facilitated by the Korea Development Bank, the Export-Import Bank of Korea and the Korea Exchange Bank, analysts said.

Although Korean banks are active in conducting feasibility studies for Russian business, they are quite cool and skeptical over immediate business expansion with the Soviet Union. One critic recalled the painful "Middle East Rush" by Korean banks and enterprises in the 1970s. The government ordered banks to extend payment guarantees to "whatever construction orders Korean firms secured." The end result was the defaults of many well-known construction firms and the accumulation of huge amount of nonperforming loans for local banks. Korean banks are still suffering from their nightmarish experiences in the Middle East, the critic said.

This time, Korea should not repeat the folly of the 1970s. The government may face negative reactions from bankers if it seeks to misuse local banks as unscrupulous financing tools for Korean firms, many banking executives cautioned. They said the Korean-Russian deals in the future will be based on cool private-based commercial dealings. "Each business decision must be made by private enterprises and bankers," they added. The only thing the government can do is to provide accurate information on the Soviet Union to Korean enterprises and regulate undue competition among Korean businesses and banks, they noted.

The banking regulator—the Office of Bank Supervision and Examination [OBSE]—will not give licenses to every applicant for opening offices in the Soviet Union, an OBSE official said.

Many bankers said the Russian economic system is quite different from the capitalist system, although the Soviet Union is in the process of moving towards a market economy. Russian rubles are not convertible and the Soviet Union is suffering from a chronic lack of hard currency. In addition, Korean bankers who returned from visits to the Soviet Union said the underdeveloped telecommunications system and bureaucratic red tape are likely to hinder smooth operation of their banking business in the Soviet Union. Furthermore, foreign firms have difficulty in securing offices.

Korean companies have been unable to receive a total of $30 million owed to them after they had already shipped goods to the Soviet Union. The Export-Import Bank of Korea Tuesday announced that it will no longer provide export insurance services to Korean exporters which ship goods to the Soviet Union without letters of export credit. It said Korean firms will not be able to enjoy the coverage of export insurance as long as they ship goods to the Soviet Union without payment guarantee from the Bank for Foreign Economic Affairs of the USSR. The Exim Bank is offering the insurance program to Korean exporters in order to protect them against possible losses in external transactions not covered by commercial insurance.

Communications Project With USSR Hits 'Snag'

SK0806090390 Seoul YONHAP in English 0838 GMT 8 Jun 90

[Text] Seoul, June 8 (OANA-YONHAP)—A billion-dollar project between South Korea's leading electronics maker and the Soviet Union has hit a snag as some key parts of the communications system which the Korean firm is to export to Moscow are restricted items and cannot be sold to a communist country under regulations of the Coordinating Committee for Export to Communist Areas, or Cocom, a government source said Friday.

Samsung Electronics Co., a subsidiary of the Samsung Business Group, has reportedly agreed with the Soviet government to participate in a communications modernization project worth 12 billion U.S. Dollars over the next five years. The project mainly concerns time division exchanges (TDX), an advanced electronic switching system developed with U.S. And Korean technology. Essential TDX parts are tentatively classified by the Korean Trade and Industry Ministry as items that may not be sold to a communist country under Cocom regulations, said the source, who declined to be named. The ministry will form a team to investigate the parts and make a final decision, the source said.

Korea is not a member of Cocom but is virtually bound by Cocom regulations as it is a signatory of a memorandum of understanding with the United States regarding the regulations. Some experts here complain that the Cocom regulations, like a non-tariff barrier, could be misused to restrict exports of high-tech goods by developing countries such as Korea.

A Samsung official said exports of core parts of the TDX, including the stored programmable control system, may be banned by Cocom but the company has not heard anything from the ministry about the Cocom regulations. Refusing to be named, he said there was an understanding between officials from Samsung and the Soviet Government that essential parts could be banned when they clinched the deal. "But we think there will be no problem when we start construction as we have 18 months before building the communications system in the Soviet Union," he said, adding that export of the parts will likely be approved. He also noted that reports from Paris on Thursday said the 17-member Cocom Committee had decided to further ease restrictions on exports of high-tech items to communist countries in line with their reforms and openness.

Under the contract, Samsung will set up a joint venture with the Soviet Union to supply the TDX circuits, and has a deal to export facsimiles, private exchange systems and other items worth 100 million dollars a year. The Soviet Union will sell Samsung patents for satellite communications and for the manufacture of high-definition television, according to the agreement.

Firms Discuss Council To Regulate USSR Trade

SK0806015090 Seoul THE KOREA HERALD in English 8 Jun 90 p 6

[Text] Major Korean trading houses are moving to form a consultative body to regulate their business with the Soviet Union and thus to prevent overheated competition. Top executives of the Korean enterprises which already have business deals with the Soviet Union or plans to do so will soon meet to discuss the formation of the consultative body, tentatively named "The Council on Trades with the Soviet Union," business sources said yesterday. The council, the sources said, will primarily coordinate Korean firms' trade and investment with the Soviet Union to prevent cutthroat competition among them.

The formation of the council was, the sources said, prompted by the reports that some Korean makers of consumer goods, particularly electric and electronic home appliances and textiles, have staged an overheated race to win contracts to export to the Soviet Union since last year, pulling down their export prices to sometimes below production cost. It has created a broad consensus among Korean exporters that there should be a body to regulate their business activities in the Soviet Union and to stop such a cutthroat competition among them. Similar overheated competition has been reported among Korean importers of Soviet goods, pushing up import prices.

The proposed council will be empowered to set the ceilings on prices of exports to and those of imports from the Soviet Union, item by item, to prevent excessive competition among Korean companies, the business sources said. As a penalty against the Korean firms which refuse to comply with the ceiling prices, the sources said, the council will ask the government to suspend their export and import licenses for a certain period.

As Korea's economic exchanges with the Soviet Union are fast expanding, riding on the favorable mood created by the Korea-Soviet summit talks Tuesday in San Francisco, the sources said that competition among Korean companies is expected to intensify. Overheated competition among Korean companies have often resulted in their signing of import and export contracts with the Soviet Union at unfavorable term, they said.

When more than two Korean firms compete to win an investment project in the Soviet Union, particularly on natural resources development projects, the sources said, the council will mediate them to bid for the project by forming a consortium or to yield to each other to produce a single bidder. By doing so, they said, the council will induce Korean firms to win Soviet contracts at the most favorable terms. "Because of the Soviet Union's shortage of foreign currency and consequent recent delays in payments for imports from Korea, some Korean exporters are already in trouble. If Korean firms compete with each other, they will be placed in bigger trouble," a business source said, refusing to be identified.

The Trade and Industry Ministry has shown keen interest in the move to form the consultative body and reportedly hopes that major state-invested trade promotion agencies such as the Korea Trade Promotion Corporation be included in the council. The ministry recently hosted a meeting of major Korean trading houses, export industry cooperatives and major trade promotion agencies to discuss the council and sounded the trading houses out on the idea of the state-invested trade promotion agencies being included in the council. Korea's two-way trade with the Soviet Union totaled around $600 million in 1989 and is expected to reach $1.2 billion this year.

Samwhan, USSR To Build Plant in Sakhalin

SK0806044090 Seoul THE KOREA TIMES in English 8 Jun 90 p 8

[Text] Samwhan Corporation plans to build a wood processing plant in the Soviet island of Sakhalin within this year, jointly with the Soviet Union, the company said yesterday. The shares in the joint venture will be split 51-49 between the Soviet Union and Samwhan, company officials said.

Under a tentative agreement for the joint venture, the Soviet Union will provide the plant site and buildings while Samwhan will supply all production facilities needed to manufacture goods. Samwhan estimates that its total investment in the joint venture would total about $3 million.

Since last year, the Korean company has been pushing for several joint venture projects, including the building of a hotel in Moscow and the construction of apartments and ports in the Soviet Far East. Samwhan also plans to import Soviet timber worth $700,000 later this month in barter trade under which the company will ship Korean consumer products such as electronic home appliances and garments in return. Samwhan envisages that wood products, to be produced in the joint venture plant, will be supplied for Korean and Japanese furniture or musical instrument manufacturers.

Hyundai Seeks Venture in USSR With Ford

SK0806023690 Seoul YONHAP in English 0204 GMT 8 Jun 90

[Text] Seoul, June 8 (OANA-YONHAP)—South Korea's Hyundai Business Group hopes to build automobile assembly lines in the Soviet Union in a joint venture with Ford Motor Co. of the United States, Hyundai officials said Friday.

Hyundai, stymied in its drive to sell its Excel and Sonata models in the Soviet Union because it lacks a service network, hopes the assembly lines will contribute to exports of cars in knocked-down condition, the officials said. Hyundai has talked with the Korean Government and is considering employing North Koreans at the Soviet factory in a bid to help improve relations with North Korea, they said.

The Hyundai officials said Chong Se-yong, Hyundai Group chairman, went to the Soviet Union as alternative head of a trade mission June 2 and would discuss it with the Soviet side. If Chong, a younger brother of Hyundai founder Chong Chu-yong, gets an affirmative response on the joint venture he will visit Ford for further consultations, they said. They said details such as the size of the factory and the date for construction to begin are not fixed, depending on Chong's consultations with the Soviet side and the American partner.

According to an analysis by Hyundai, in addition to the difficulty of setting up an after service network, development of technology suited to the Soviet climate is a big challenge in selling cars in the Soviet Union. Moscow, which expects demand for private transportation to soar in connection with its ambitious Siberia development project, wants to see assembly lines constructed in the region east of the Urals.

Soviet Universities Agree To Exchange Students

SK0806080990 Seoul YONHAP in English 0753 GMT 8 Jun 90

[Text] Seoul, June 8 (YONHAP)—Korea University will exchange students, professors and academic materials with Leningrad and Moscow Universities in the spring semester next year. The private South Korean university's acting president, Kim Chin-ung, signed an agreement on the exchange with Leningrad University President Stanislav Merkur'yev during a trip to the Soviet Union from May 26-June 3, officials said Friday.

Kim also met with Vladimir Tropin, Moscow University's vice president for international affairs, and the two agreed to sign a document on swaps of students, professors and information this year, the university officials said.

Kim was a guest of Leningrad University and was accompanied by Professor Kim Tok-ki, director of international education, and Ko Il, a professor of Russian language and literature. Merkur'yev will visit Korea University this fall to discuss details of the exchange of students and professors. The two schools will provide each other's students, professors and researchers with free lodging facilities.

Results of Summit Talks Explained to China

SK0906022790 Seoul HANGUK ILBO in Korean 9 Jun p 1

[Text] On 8 June, it was learned that the government had explained to the Chinese side the results of the Korean-Soviet summit talks through a diplomatic channel in a third country. A government official said: "Upon the request of the Chinese side, the government has explained the results of the Korean-Soviet summit talks to the Chinese side. The Chinese side listened to our side's explanation with interest, but it failed to show any particular reaction."

PRC Ministerial Official Arrives for Talks

SK1006010490 Seoul THE KOREA TIMES in English 10 Jun 90 p 1

[Text] The ministerial-level Chinese chief auditor will visit Seoul today to attend a regional forum with the itinerary including his courtesy call on President No Tae-u, officials said yesterday.

Lu Peijian, auditor general of the Audit Administration of China, is scheduled to arrive at Kimpo Airport today for a meeting of directors of the Asian Organization of Supreme Audit Institutions [ASOSAI] which will open Tuesday [12 Jun]. Lu is a member of the Chinese Communist Party's Central Committee and is apparently the highest official ever to come to Korea amid much more plausible speculation that President No Tae-u is to visit China in the wake of his historic meeting with Soviet President Mikhail Gorbachev in San Francisco Tuesday.

During his one-week stay, he will make a courtesy call on No and contact with top government officials whose talks would focus on the advancement of diplomatic relations between South Korea and China, still one of the most staunch allies of its bitter rival in the North. He will be accompanied by five senior officials under his supervision, who will have discussions with their relevant counterparts at economic ministries and other government agencies, according to the officials at the Board of Audit Inspection.

Lu's visit to Seoul has been arranged through delegates from Indonesia which currently holds the chairmanship of the regional body. The 15th meeting, slated to open at a Seoul hotel Tuesday, will be participated in by 50 members from 12 member countries with an eye to set the agenda for the fifth ASOSAI general assembly to be held in Beijing next year, the officials added.

PRC Official Cited on Possible No Visit

SK1006092090 Seoul SEOUL SINMUN in Korean 10 Jun 90 p 1

[Text] Tokyo, YONHAP—On 9 June, a high-ranking CPC official said, "There is no problem in Korea's president attending the Asian Games." In accordance with this, on 9 June, MAINICHI SHIMBUN carried a report from Beijing reflecting the possibility of President No Tae-u visiting China under the formality of attending the opening ceremonies of the Asian games.

This high-ranking official, who asked not to be identified, repeatedly emphasized that China is considering North Korea's position regarding the reunification issue. This high-ranking official did not deny the possibility of President No's visit to the September Asian games but definitely denied the possibility of President Kim Il-song's visit to the Asian games saying, "It is not possible." MAINICHI SHIMBUN also revealed that if President No visits Beijing for the purpose of attending the Asian Games, he will meet with high-ranking Chinese leaders in some way, but it will be difficult for him to carry out official contacts.

KAL's Use of Chinese Airspace Limited

SK0806055290 Seoul YONHAP in English 0527 GMT 8 Jun 90

[Text] Seoul, June 8 (OANA-YONHAP)—Korean Air (KAL) has won permission from China for its regular Seoul-Tripoli flights to use Chinese airspace from Friday, a spokesman for the South Korean Transportation Ministry said. KAL flight KE 801 will overfly Chinese territory, skipping a landing in Bangkok, Thailand, on the so-called Kunming route to Libya with stopovers in Bahrain and Jeddha, he said.

It is the first time China has allowed a regular KAL flight to pass through its airspace. Authorization will cut 37 minutes flying time from the current 10 hours and 52 minutes and shorten the route to 9,102 kilometers from 9,656 kilometers, the spokesman said. The first KAL flight, overflying Shanghai, Kunming, Calcutta, India, and Karachi, Pakistan, is to depart Seoul for Tripoli at 9 p.m. Monday. Approval will run until Oct. 27, but KAL expects it to be extended, he said.

China, which has no diplomatic relations with South Korea, allowed 55 KAL flights to use its airspace to transport athletes and team officials taking part in the 1988 Seoul Olympics. The permit may signal that Beijing will allow Korean jetliners to land in China during the Beijing Asian Games in September with athletes, officials and tourists from Seoul, another ministry official said. It may also be an indication of improving ties between Seoul and Beijing, a strong ally of Pyongyang, he said. China has refused to allow a weekly KAL flight to Moscow to overfly its territory.

Direct Telephone Service With China Increased

SK0806085390 Seoul YONHAP in English 0822 GMT 8 Jun 90

[Text] Seoul, June 8 (OANA-YONHAP)—South Korea and China have increased the number of direct telephone lines for international subscriber dialing (ISD) from 11 to 23 because of growing demand, the Korea Telecommunication Authority (KTA) said Friday. Direct ISD service between the two countries began in October last year with 11 telephone and six telex lines via a satellite. On May 17, 12 telephone lines were added to meet the sharp rise in demand stemming from the Beijing Asiad in September.

Telephone communication between Seoul and Beijing, which lack diplomatic relations, have increased because of economic and trade exchanges. The monthly average calls from Korea to China grew from 1,535 (6,900 minutes) in 1988 to 19,300 (58,000 minutes) last year and 34,982 (101,000 minutes) in the first quarter this year.

Calls from China to Korea increased from 3,267 (15,000 minutes) a month in 1988 to 20,952 (73,000 minutes) last year, according to KTA.

KTA and the Chinese Telephone Authorities have agreed to start home country direct services in Beijing and Shanghai before the Asian games. The service will directly connect callers with operators in their home country. Telephone services between the two countries first began in September 1986, shortly before the Seoul Asian Games, in the form of operator-assistance calls. The system was changed to ISD prior to the 1988 Seoul Summer Olympic Games through hookups in Japan, Hong Kong and Italy.

PRC Forced To Restrict Cocoon Exports

SK0906005290 Seoul THE KOREA HERALD in English 9 Jun 90 p 6

[Text] Hong Kong (AFP)—South Korea is engaged in a buying spree of cocoon from China, forcing the Chinese authorities to control cocoon exports in a bid to avoid a hike in raw silk futures, dealers here said Friday.

South Korea, faced with a shortfall in cocoon output this year, has been buying large amounts of cocoon from China since April, with a monthly target of 20 to 30 ton from an estimated 450 ton they planned to import until March 1991, dealers said. The rush has resulted in China taking measures to prevent a cocoon shortage in the country, with the southern city of Guangzhou, one of the main raw silk producing areas, ordering unified cocoon exports.

South Korean buyers use Hong Kong to gain access to the Chinese silk markets in the absence of any diplomatic ties.

The coal silk market was active during the week, with new orders from Japan for thrown silk, which is gaining popularity on that market, dealers said.

Vietnam Reportedly Ready To Normalize Ties

SK1006052290 Seoul HANGUK ILBO in Korean 10 Jun 90 p 2

[Text] (YONHAP from Bangkok) On 9 June, a high-ranking official of the Vietnamese Ministry of Foreign Affairs said Vietnam is ready to normalize relations with the ROK and other Asian and Pacific countries with which it has maintained hostile relations.

Dang Nghiem Bai, assistant Vietnamese minister of foreign affairs, said in Bangkok that just as economic cooperation between the Soviet Union and West Germany led the Soviet Union to approve of German unification, economic cooperation between the ROK and the Soviet Union led the two countries to hold summit talks and agree to establish diplomatic relations, which had been unthinkable before. This Vietnamese official was staying in Bangkok to attend the 46th meeting of the Economic and Social Commission of Asia and the Pacific of the United Nations. He also said that if the ROK and Vietnam promote economic cooperation and ties in other non-political sectors, the relations between the two countries will develop to establish diplomatic relations.

Assistant Minister Bai also said a Vietnamese delegation, which will include government officials, will visit the ROK around July to discuss economic cooperation between the two countries and the opening of trade offices in Seoul and Hanoi necessary for promoting economic cooperation. He said it will take time for the ROK and Vietnam to resume diplomatic relations. This is a delicate issue because Vietnam must consider its relations with the United States and North Korea.

Regarding the issue of North and South Korea, citing Yemeni unification and German moves toward unification, he said the reunification of the Korean peninsula depends on how the leaders of the two sides respond to the will of people in North and South Korea.

Congo Breaks Past Practice, Seeks Relations

SK1006010090 Seoul THE KOREA TIMES in English 10 Jun 90 p 1

[Text] Brazzaville (AFP)—The Congo, in a break with past ideological practice, has decided to establish diplomatic relations with South Korea, a Congolese diplomat said here Saturday. The Congo, which embraces Marxist-Leninist dogma, has diplomatic ties with communist North Korea and until now supported that country's opposition to South Korea. The change was decided at a closed-door meeting here by representatives of both countries and an agreement would be signed shortly, the source said.

Ghanaian Foreign Minister To Visit 14-17 Jun

SK0806065290 Seoul YONHAP in English 0638 GMT 8 Jun 90

[Text] Seoul, June 8 (YONHAP)—Ghanaian Foreign Minister Obed Yao Asamoah will visit South Korea from June 14-17 to discuss matters of mutual interest with his Korean counterpart, Choe Ho-chung, the Foreign Ministry said Thursday. Asamoah will also pay a courtesy call on President No Tae-u, the ministry said.

Three Arrested for Holding Fake Passports

SK0806021090 Seoul THE KOREA HERALD in English 8 Jun 90 p 2

[Text] Immigration officials have caught three foreigners holding fabricated passports and invalid boarding passes at Kimpo airport. A spokesman for the Kimpo Immigration Office said two Iranian-born Canadian men, identified as Mohammed B. Safavi, 33, and Shahram Kamal, 27, were deported to the North American country and one Iranian man, Khafri A. Khodami, 22, faces the same fate.

According to the spokesman, Khodami was captured last Friday by immigration officials while attempting to board a foreign jetliner bound for Vancouver with a fake U.S. passport and an invalid boarding pass without a departure stamp from the immigration office. Khodami was allegedly given the fake passport and the boarding pass by Safavi in a lounge for transit passengers.

Safavi got out of the country aboard an American airliner, but was caught at Tokyo's Narita International Airport Saturday and sent back to Kimpo, the spokesman said. He said the Kimpo Immigration Office had asked Narita airport authorities and airline officials to extradite Safavi to Korea.

Later in the same day, Sharam Kamal was arrested at a hotel in Nakwon-tong, Chongno-ku, central Seoul. Kamal was suspected of fabricating one passport for Khodami. Investigators said they seized three other fake passports from Kamal as evidence.

English-Language Paper on Defense Published

SK0806060090 Seoul YONHAP in English 0532 GMT 8 Jun 90

[Text] Seoul, June 8 (YONHAP)—South Korea will distribute copies of its first English-language white paper on Defense this month, a spokesman for the National Defense Ministry said Friday. It has still to be decided if the white paper will be given to all 151 nations that have diplomatic ties with Seoul, he said. Some officials oppose giving the white paper to Poland, Hungary and Yugoslavia, which joined the diplomatic corps in Seoul only recently, he said.

The 281-page "Defense White Paper 1989" has 14 chapters plus an appendix containing various military-related laws, a joint communique from the annual Korea-U.S. security consultative meeting and statistics. Sample chapter titles include "The Focus of National Defense Policy," "Security Environment Surrounding the Korean Peninsula," "North Korea's Military Threat," "Armistice Structure on the Korean Peninsula," "Military Defense Posture," "ROK (South Korea)-U.S. Combined Defense Posture" and "Military Balance on the Korean Peninsula."

Opponents of its distribution to East-bloc nations pinpoint the chapters titled "ROK-U.S. Combined Defense Posture" and "Military Balance on the Korean Peninsula" as offering too much information on Korea's combat and mobilization capabilities.

The ministry published its first Korean-language Defense white paper last year, and will put out the white paper in both Korean and English from this year, he said. "We are living in a very tense military situation here. While many nations publish such a white paper, our government has been abstaining for fear that it might offer information to hostile nations. "Silence on the part of the government, however, often caused misunderstanding among the people. We are well aware that the understanding of our people and friendly countries of our military situation is essential to maintaining peace in this part of the world, and that's why we began to publish the paper in Korean and English," he said.

Assistant Minister Discusses Trade Policy

SK0806043490 Seoul THE KOREA TIMES in English 8 Jun 90 p 9

[Article by Sin Kuk-hwan, assistant trade and industry minister]

[Text] Since the beginning of the year, Korea's trade deficit has steadily expanded, due to the persistent sluggishness of exports accompanied by a surge in imports. Such a trend has given rise to concern over whether the situation could be reversed through an early recovery of exports or whether the nation's economy will, instead, revert to deficit, as was characteristic of the decades preceding the 1980s. The shift in Korea's economic situation has, at the same time, prompted trading partners to voice concerns over whether the Korean government will initiate a restrictive import policy to stem broadening of the deficit.

The most recent statistics of the Ministry of Trade and Industry (MTI) reveal that as of the end of May exports increased 1.3 percent, for a total value of $24.1 billion. Imports, on the other hand, registered a growth of 19.4 percent, for a total value of $27.2 billion, accounting for a trade deficit in excess of $3 billion. Import growth notwithstanding, the deficit is largely attributable to the slump in exports, which were initially forecast to rise 6 percent over the previous year.

The drop in exports may, to a great extent, be explained by the loss in the competitiveness of Korea's light industrial products, such as textiles, and electronics products, such as household appliances, in the markets of the U.S., EC and Japan, Korea's major trading partners. Weak price competitiveness has been exacerbated by slowed demand and inattention to the development of new products.

This is in stark contrast to strong imports of such items as energy-related products, machinery, instruments and other products. Such a surge in the purchase of foreign goods has been supported by the $5,000 per capita GNP and by increased dependency on foreign sources for procuring machines, instruments and raw materials corresponding to expanded construction of housing, roads and transportation and leisure facilities.

As a result of the import surge and the increased domestic consumption, the basis for growth of the Korean economy is shifting from exports, or demand from abroad to demand fueled by domestic consumption. In these circumstances, what is the optimal manner to redress this economic transition?

Some observers wonder whether a reversion to the export drive policy of the 1960s and 1970s, or the implementation of restrictive import measures is the best answer. However, both of these measures would be inappropriate today. Clearly, the answer to the current dilemma is that Korea should continue to pursue stable export expansion and import substitution through recovery in international competitiveness by means of structural adjustment of the industry.

The Korean government remains committed to the operation of a market economy supported by progressive market opening and internationalization. Interaction in this mechanism is not regarded as desirable or beneficial to the sound development of the economy. Were import restrictive measures taken or policies introduced to subsidize exports, such interaction would impede the ongoing industrial adjustment and restructuring and would actually retard industrial recovery of international competitiveness. Given these considerations, MTI will administer the following policies with regard to trade and industry.

First, planned policies for the liberalization of imports, the reduction of tariff rates and the removal of import restrictive measures will continue to be implemented.

Second, export recovery in the world markets will be pursued through a long term perspective and a fundamental reorganization of the industrial structure through such means as technology innovation, quality improvement, productivity enhancement and upgrading of market capability. The policy promoting an export drive, with such measures as subsidization, financial assistance and other incentives will not be adopted. These policies for export recovery are based on the expectation that exports will begin to recover from the fourth quarter of this year.

Third, with regard to energy and other products constituting the import surge, macro economic policies will be used to address the issue, such as adoption of energy conservation measures and interest rate levels to encourage low spending and high savings.

Finally, to be a leading contributor to the growth of international trade in the 1990s, Korea will actively support the maintenance of a free and fair trading system, ranging from the negotiations in the Uruguay Round to intra-regional trade promotion. A free and fair trade environment is closely linked to the invigoration of the Korean economy in the 1990s.

Brunei, Malaysia & Singapore

Malaysia

Soviet Deputy Foreign Minister Rogachev Visits

Meets With Counterpart 7 Jun

BK0706135290 Kuala Lumpur Domestic Service in English 1330 GMT 7 Jun 90

[Text] Malaysia and the Soviet Union have agreed to enhance bilateral cooperation in economy, politics, education, culture, and sports. Deputy Foreign Affairs Minister Datuk Dr. Abdullah Fadzil Che Wan said a delegation of members of parliament, to be headed by the Speaker of Dewan Rakyat [House of Representatives], Tan Sri Mohamed Zahir Ismail, will be visiting the Soviet Union in August. He himself will head a trade and cultural delegation to the Malaysian Week, to be held in Tashkent, in September this year.

Datuk Dr. Fadzil added that Malaysia is also trying to get the Soviet Union to provide body-building coaches for its national body-building team. He said this after meeting Soviet Deputy Foreign Minister Igor Rogachev in Kuala Lumpur today.

Suggests Regional Arms Talks

OW0806101690 Tokyo KYODO in English 0957 GMT 8 Jun 90

[Text] Kuala Lumpur, June 8 KYODO—The Soviet Union is eager to start arms reduction talks for the Asia-Pacific region as soon as possible, Soviet Deputy Foreign Minister Igor Rogachev said here Friday. "In Europe, we have already established a mechanism of negotiations (to cut down arms), and it works," Rogachev told reporters after a two-day visit here. "But there are no such talks (in the Asia-Pacific region)."

Expressing concern that the nuclear arsenals in the region are "getting larger and larger," Rogachev said disarmament talks involving the Soviet Union, the United States and Japan should be started. "The sooner, the better," he said, adding that the issue will be discussed in detail when Soviet Foreign Minister Eduard Shevardnadze visits Tokyo "in the near future."

Rogachev himself will visit Tokyo Saturday before moving on to Beijing next week to continue the Asian tour. He arrived here Thursday from Bangkok. Implying that Tokyo is also interested in arms reduction talks, Rogachev said, "There are now signs that the Japanese side is glad to discuss the problem with us."

The deputy foreign minister for Asian and Pacific affairs also referred to the Cambodian problem and said major difficulties surrounding the 11-year-old conflict will be solved by the end of this year. "We do hope that the Paris conference can be reconvened very soon," Rogachev added. He earlier described as a "breakthrough" a recent agreement between Cambodian Prime Minister Hun Sen and guerrilla leader Prince Norodom Sihanouk to show "restraint" in the use of force, a step toward a ceasefire.

The Cambodian issue is expected to be high on the agenda in a meeting between Rogachev and Chinese leaders in Beijing next week.

Ends Two-Day Visit 8 Jun

BK0806151790 Kuala Lumpur Domestic Service in Malay 1430 GMT 8 Jun 90

[Text] The Soviet Union has blamed the Tel Aviv regime for damaging its relations with the Arab world by relocating Soviet Jews in its occupied territories in Palestine. The Soviet deputy foreign minister, Igor Rogachev, said there could be a (?conspiracy) in the regime's current policy by relocating thousands of Soviet Jews in its occupied territories.

Moscow, however, is helpless to prevent the Soviet Jews' exodus to those territories. He said this to journalists at the end of his two-day visit to this country.

Earlier, Rogachev held a discussion with Deputy Defense Minister Datuk Abang Abu Bakar Mustafa at the Ministry of Defense. Datuk Abang Abu Bakar said Rogachev informed him that the Soviet Union had withdrawn its Tu-16 bomber squadron from Cam Ranh Bay in Vietnam. He also disclosed the Soviet Union's plan to withdraw all its troops from this region by the year 2000.

According to Datuk Abang Abu Bakar, the Soviet Union currently has about 120,000 troops stationed in the Far East and 12 marine units in the Asia-Pacific region. The Soviet Union has also withdrawn its troops from Mongolia in an effort to reduce tension between the USSR and China.

Thai Army Chief on Meeting With Lee Kuan Yew

BK1006153590 Bangkok Army Television Channel 5 in Thai 1230 GMT 10 Jun 90

[Interview with Thai Army Commander General Suchinda Khraprayun by correspondent Somkiat Onwimon in Singapore on 10 June—recorded]

[Text] [Somkiat Onwimon] Can you tell us about the outcome of your current visit to Singapore?

[Suchinda] Singapore is the first country I have visited since becoming Army commander. One of the points in my policy announcement was that our relations will be strengthened with all countries, especially the ASEAN countries. I have come to Singapore first because it is convenient. Also, because Saturday is a workday in Singapore, I left Bangkok after work on Friday. It is convenient to come to Singapore first because it will not take too long. It is a routine visit to strengthen bilateral relations.

I am already well acquainted with senior Singapore Army officers. Therefore, my visit amounts to a courtesy call after having assumed the Army commander post. I am pleased with the outcome of the visit.

[Somkiat] I learned that your call on Prime Minister Lee Kuan Yew lasted more than an hour. Can you sum up the atmosphere of the meeting?

[Suchinda] The fact is that I did not request a meeting with Prime Minister Lee; the Singapore side arranged the meeting. Our meeting lasted more than an hour. The prime minister has great experience as a leader. He discussed many issues with me, including the era of fighting against the Communists in Singapore as well as the change in the current world situation. One of things he said was that he never thought that in his lifetime he would see the failure of the communist system in Eastern Europe. He never expected it. He also talked about the great economic progress in the FRG and Japan. He talked about the great progress toward the unification of East and West Germany.

The prime minister also talked about the general situation in the ASEAN countries. He stressed that he is often misunderstood in many circles when people think that Singapore views with suspicion progress achieved by countries in this region, including Thailand. He said that such an understanding is incorrect. He said he is very pleased with any economic progress in Thailand because such progress will bring economic prosperity to the region. He said it is normal to have competition, because competition will bring progress. He welcomes competition but not protectionism.

Envoy to Kuala Lumpur Reassigned to Washington

BK1106081890 Hong Kong AFP in English 0757 GMT 11 Jun 90

[By Mervin Nambiar]

[Text] Kuala Lumpur, June 11 (AFP)—Singapore is reassigning its High Commissioner (ambassador) to Malaysia in the wake of tensions in bilateral ties triggered, among other things, by a recent spying scandal, diplomats here said Monday [11 June]. They said that S.R. Nathan, 65, who was appointed High Commissioner to Malaysia in April, 1988, was being assigned to Washington to replace veteran career diplomat Tommy Koh, who is expected to accept a nomination to parliament.

A Singapore diplomat here confirmed Mr. Nathan's move to the United States, saying that the reassignment was part of a larger reshuffle of senior ambassadors. A new high commissioner would be named soon, he said.

The Singapore diplomat dismissed suggestions circulating in Malaysia's diplomatic community that Mr. Nathan's move was related to recent difficulties in bilateral ties. "No, I don't think there is any truth there," he said. Bilateral ties hit a low in December last year when the Malaysian Government disclosed the arrest of several junior naval officers following an opposition MPs [members of parliament] claim that military officers had been recruited to spy for Singapore.

Malaysian officials privately say that Singapore has been insensitive to local feelings and cite as an example the 1986 visit to the island republic of Israeli President Chaim Herzog. Mr. Herzog's visit to Singapore triggered widespread protests in Malaysia which has a moslem majority.

Bilateral ties have in recent months also been hurt by official claims, denied by Singapore, that the Republic was undermining a Malaysian drive to attract more tourists as part of Visit Malaysia Year.

Local newspapers have also given prominence to reports claiming that Malaysian fishermen were being harrassed by Singapore naval units.

Mr. Nathan, with a distinguished civil service record before his appointment here, may have been unfortunate in having to deal with such problems during his tenure, analysts said.

They said that the Singapore Government move to withdraw the envoy only 26 months into his posting may symbolise a wish to put the past behind the two countries bonded by already extensive economic ties.

Official sources here said they were surprised by Mr. Nathan's reassignment and denied that Malaysia had in any way sought the envoy's withdrawal. "He was easy to deal with and we liked dealing with him," a Malaysian official, who spoke on condition he was not identified, said of Mr. Nathan.

He said that it was clear that Mr. Nathan enjoyed the confidence of Singapore Prime Minister Lee Kuan Yew. "He was no ordinary diplomat. He had a pipeline to the very top," the official said Mr. Nathan began his career as a civil servant in Malaysia's southern Johore State from which he still draws a small pension.

He joined the Singapore Civil Service in 1956 and was appointed Permanent Secretary to The Home Ministry in 1971, where he oversaw, among other things, Singapore's intelligence service. Despite his record in intelligence work, some Malaysian officials say they have seen no evidence to suggest Mr. Nathan's personal involvement with the spies uncovered.

Mr. Lee called for an open inspection of military installations in Malaysia and Singapore during a brief visit here in April for talks with Prime Minister Mahathir Mohamed. He said his proposal would reassure both countries that neither one was planning a military takeover of the other.

The Singapore premier did not deny the spying charges but instead called them low-level attempts at gathering intelligence in which both countries indulged to ensure that there was no "hidden agenda," especially on security. Malaysian officials have dismissed Mr. Lee's proposal as being unnecessary and sources said that there had been no official response to the Singapore premier's suggestion.

Cambodia

Hun Sen, Shevardnadze Hold Meeting in Moscow

BK1106074890 Phnom Penh SPK in English 0441 GMT 11 Jun 90

[Text] Phnom Penh SPK June 11—Eduard Shevardnadze, Politburo member of the Communist Party of the Soviet Union and foreign minister of the USSR, received in Moscow on June 8 Hun Sen, chairman of the Council of Ministers and foreign minister of the State of Cambodia during the latter's stop-over there on his way home from Tokyo, reports VNA.

Chairman Hun Sen informed him of the result of his meeting with Prince Sihanouk as well as their agreement on the establishment of a surpreme national council symbolizing Cambodia's neutrality, sovereignty and national unity. Chairman Hun Sen stressed that the government of the State of Cambodia is ready to go along the path charged [as received] out at the Tokyo meeting and actively cooperate with all those who are sincerely interested in comprehensive political solution to the Cambodian issue.

For his part, Minister Shevardnadze said that the Tokyo meeting was an important success and a concrete step forward in abolishing the confrontation with the goodwill of all sides concerned and in the search for mutually acceptable concessions.

"The Soviet Union welcomes the Tokyo meeting's results and voices its support in principle for the State of Cambodia's position for a political solution to the conflict and for national reconciliation, which is aimed at building a peaceful Cambodia and fostering neighbourliness and stability in Southeast Asia, minister Shevardnadze further said.

The two officials expressed their hope that the participant countries at the international conference on Cambodia would support the viewpoints agreed upon in Tokyo on the settlement of preliminary problems concerning a solution to the Cambodia issue.

They also stressed the special role of the international community in ensuring in Cambodia all human rights, the nonreturn of the genocidal regime, and Cambodia's future status of independence, neutrality and nonalignment.

Hun Sen Returns; Activities in Tokyo Reported

BK1006115290 Phnom Penh SPK in English 1111 GMT 10 Jun 90

[Text] Phnom Penh SPK June 10—Cambodian Prime Minister Hun Sen arrived home today [10 June] after attending the peace talks in Tokyo with Prince Norodom Sihanouk.

The talks held on June 4-5 were attended on the State of Cambodia side by minister assistant to the prime minister Hor Nam Hong, and Vice Foreign Ministers Dit Munti and Sok An; and on the Natioanl Governement of Cambodia side by Son Sann and Ranariddh, in the presence of Japanese Foreign Minister Taro Nakayama. Khmer Rouge leader Khieu Samphan boycotted the talks.

While in Tokyo, the Cambodian prime minister was received by Japanese Prime Minister Toshiki Kaifu, during which he urged Japan to cooperate with Thailand in helping to ensure a strict implementation of the joint communique which he had signed with Prince Sihanouk after two days of talks.

He visited a Japanese hospital and the Nissan Motor Co. Ltd.

He attended a briefing called by Mr. Koji Kakizawa, Diet member and president of the Committee for Foreign Affairs of the Diet. The briefing was also attended by Mr. Masayashi Ito, president of the Council of Asia and Africa Affairs of the Diet, and Mrs. Takako Doi, president of the Japanese Socialist Party, and by members of the Diet's Asian-African study group.

In the briefing, he informed the Japanese Diet members of the result of the talks and spoke of the possibility of implementing the joint communique.

In his hotel suite he also received Mr. Yashio Sakuranchi, chairman of the House of Representatives, Liberal Democratic Party member, and president of the Japan-Vietnam Parliamentarians Friendship Association; Mr. Hiroshi Mitsuzuka, member of the House of Representatives, member of the Liberal Democratic Party, and former Foreign Minister; and Mr. Tetsuso Fuwa, secretary general of the Japanese Communist Party.

On the evening of June 6 he called a press conference, in which he described the Tokyo conference as a "full-moon success" but overshadowed by some clouds.

On his way home from Japan he made a one-day stopover in Moscow during which he was met by Soviet Foreign Minister Eduard Shevardnadze.

He also made a one-day stopover in Vietnam, where he met with Japanese Ambassador to Vietnam Kuniaki Ahomura and Indonesian Ambassador R. Arwismarmo.

Hun Sen Delivers Message on Tokyo Meeting

BK1006162190 Phnom Penh Domestic Service in Cambodian 1100 GMT 10 Jun 90

[Hun Sen's message to the people of Cambodia on the outcome of 4-5 June peace talks in Tokyo; place and date of message not given—recorded]

[Text] My respects to venerable Buddhist monks and all my beloved compatriots and friends.

Before informing you about the Tokyo conference, I would like to summarize the outcome of the past meetings, in particular during the past two years. All parties and countries concerned have agreed that a common comprehensive solution should be achieved. However, no formula that can be unanimously accepted by all Cambodian parties and the countries involved has been found. The complicated issue is the administration [of Cambodia] during the transitional period and the role of the United Nations. Should the two key questions be settled, the remaining issues would be easily resolved.

For us, we understand that in order to avoid repeated deadlocks, efforts should be stepped up to determine the basic issues and use them as the starting point to break the Cambodian deadlock. This means the Cambodian people should be permitted to express their self-determination through general, free, democratic, and just elections under international supervision. In order to organize the elections, a cease-fire should be implemented. The cease-fire can be effective only if foreign military aid is ceased and verified by an international control mechanism. This is the idea I have put forth since 1988, which the other side has opposed. Instead, they have resorted to the use of armed force and foreign military aid in a test of strength at the expense of our people's flesh and blood for a long time.

After active diplomatic maneuvers and the more than seven-month trial by fire since the complete withdrawal of Vietnamese troops, the initiative on a cease-fire, a military standstill, the cessation of foreign military aid, and an international control was promoted until a meeting between the two governments in Cambodia was organized in Tokyo, Japan, on 4-5 June 1990.

Wherever the Khmer Rouge Polpotists were present, an agreement could never be reached. According to experiences in the peace process during the past two years, the genocidal group has always used its right of veto to ruin, hinder, and prevent all the meetings from achieving peace for Cambodia. This time, the genocidal group represented by Khieu Samphan boycotted the Tokyo meeting with countless pretexts to hamper the meeting from the beginning. They had not respected the promise and agreement reached. Before coming to Tokyo, the Japanese Government and [Thai Defense Minister] General Chawalit ascertained that the talks were a meeting between two governments, one led by Samdech Sihanouk and the other by myself.

However, in Tokyo, they [the Khmer Rouge] tried to split themselves from the Samdech Sihanouk-led government into another party, independent from the tripartite coalition. This was aimed at turning the bilateral talks into a four-party meeting. They also demanded to be seated at the same level and to sign the document as an independent party. They used the right of veto for sabotaging the meeting. However, the Japanese Government and Gen. Chawalit, the sponsors of the talks, firmly insisted that the meeting was bilateral. They did not allow the genocidal group to decimate the meeting at will.

At last, the meeting began as scheduled on 4 June 1990 without the participation of the Khmer Rouge. A joint statement was signed by me and Samdech Sihanouk. It had four annexes concerning voluntary self-restraint in use of force. This means all military operations are to be put at a standstill, and a supreme national council [SNC] composed of equal members is to be set up.

All venerable Buddhist monks and beloved compatriots, this is another new victory that we have won. It is a victory of the goodwill of our government, which is always willing to put an end to the painful suffering of our people. It is also a victory achieved by the entire people and Armed Forces united around the Kampuchean People's Revolutionary Party, which hold aloft the peace and national reconciliation banner. Moreover, it is a victory for those who want to see peace restored to Cambodia.

By and large, this is only an initial victory. The path to pursue remains distant, obstacles to surmount are numerous, and complicated issues to be definitely resolved are plentiful. That being the case, patience, diligence, and vigilance are needed at all times, since the document signed in Tokyo is not yet a cease-fire agreement within the framework of a political settlement. It is merely a joint statement that will only go into effect on the day when the first meeting of the SNC is convened. Besides, the effective implementation of the joint statement has three possibilities:

1. If the Khmer Rouge realize that the statement was useful and declare they will join [the implementation of the statement], the first meeting of the SNC can be convened and a cease-fire should be implemented by all the parties.
2. If the Khmer Rouge refuse to participate in implementing the joint Tokyo statement, our government will join the groups of Samdech Sihanouk and Son Sann to create an SNC without the Khmer Rouge, and the first meeting of the SNC will be convened. As such, a cease-fire will be implemented only by the Sihanouk and Son Sann groups with the Phnom Penh government. As for the Khmer Rouge, they will continue the war.
3. If Samdech Sihanouk changes his mind and refuses to abide by the joint statement which he signed, the SNC cannot be created and the fighting will go on. This means that the Tokyo joint statement would be invalid because of the Khmer Rouge's sabotage and the non-implementation by Samdech Sihanouk.

Therefore, all compatriots—in particular the Armed Forces—should continue to zealously carry out their tasks along the path defined by the party and government, with the aim of preventing the return of the genocidal Pol Pot regime and defending the achievements gained and the people's lives and well-being. We will continue our struggle to protect the people until a cease-fire goes into effect. The continued struggle for self-defense and protecting the people does not mean that we want to be warmongers. We are willing to observe the cease-fire and the cessation of military aid as quickly as possible. However, the Cambodians of the other side, especially the Khmer Rouge, intend to drag on the war. That being the case, our struggle is a reluctant task that we should carry out, because we are compelled by our enemies to fight at all costs.

Therefore, all categories of Armed Forces should be well prepared to fight to achieve ultimate victory. Moreover, the socioeconomic task should be simultaneously fulfilled as well. Production tasks in this rainy season should be primarily and timely carried out. Whenever and wherever, the socioeconomic duty is of vital importance not only to encourage the front line but also as a factor to promote political and diplomatic headway.

In order to make the Tokyo joint statement more effective, on 7 June I called on all the country members of the Paris conference, in particular China, Thailand, and the SRV, to endorse and guarantee the Tokyo communique. Availing myself of this opportunity, I would like to appeal to all compatriots in the other side's ranks to stop bleeding our nation and come over to reunite with their families in order to contribute to rebuilding our nation and country. In conclusion, I wish all the venerable Buddhist monks and compatriots the best of health and every success.

Hun Sen Thanks Kaifu for Successful Talks

BK0706051090 Phnom Penh SPK in English 0432 GMT 7 Jun 90

[Text] Phnom Penh SPK June 7—Cambodian Prime Minister Hun Sen, who had just signed in Tokyo a joint communique with Prince Norodom Sihanouk, was received Wednesday [6 June] morning by Japanese Prime Minister Toshiki Kaifu in his study at the Japanese Diet (National Assembly), reports an SPK correspondent from the capital of Japan.

At the reception, Japanese Prime Minister Toshiki Kaifu recalled the proposals made by Indonesian President Suharto and by Thai Prime Minister Chatchai Chunhawan during the latter's recent visit to Tokyo, which asked Japan to actively contribute to the peace process for Cambodia.

The Japanese leader said the Tokyo conference on Cambodia with Prime Minister Hun Sen as representative of the Cambodian government and Prince Norodom Sihanouk as representative of the National government ended with the release of a joint communique, which provided for a role to be played by the United Nations and described the Tokyo conference as a step forward in the settlement of the Cambodian problem.

For his part, Prime Minister Hun Sen expressed profound thanks to the Japanese and Thai Governments for holding the Tokyo conference and doing their best to make the conference a success. This success is a result of the two governements' efforts and of the State of Cambodia Government's goodwill, he said.

He also urged the Japanese Government to continue cooperating with the Thai Government to help ensure the implementation of the joint communique by all concerned parties.

Prime Minister Hun Sen highly valued the efforts made by the Japanese Government in bringing the conference to success with the signing of a joint communique despite attempts to undermine it. He voiced his hope that Japan would play a more active role in contributing to the peaceful settlement of the Cambodian conflict.

Sihanouk Reportedly Not To Chair Council

BK0806073490 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 8 Jun 90

[Text] Cambodian President Samdech Preah Norodom Sihanouk said on Thursday [7 June] that he would neither join a future supreme national council [SNC] nor contest a presidential election to be organized in Cambodia. The samdech stated this at a news conference in Tokyo following the conclusion of his talks with Hun Sen, representing the Heng Samrin regime that the Vietnamese have propped up.

H.R.H. [His Royal Highness] Prince Ranariddh—personal representative of Samdech Norodom Sihanouk in Cambodia and Asia, secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, and supreme commander and commander in chief of the National Army of Independent Kampuchea [ANKI]—who arrived in Bangkok from Tokyo yesterday confirmed the report but did not elaborate on the reason for Samdech Preah Norodom Sihanouk's announcement.

Samdech Preah Norodom Sihanouk had earlier signed a cease-fire accord with Hun Sen in Tokyo urging all armed Cambodian parties to put a halt to their fighting and calling for the setting up of a supreme national council between the UN-recognized National Government of Cambodia and the Vietnamese-installed Heng Samrin Government.

H.R.H. Prince Norodom Ranariddh said Samdech Preah Norodom Sihanouk had pointed out that the Cambodian peace talks in Tokyo were a big step forward and that the ANKI would only abide by the cease-fire agreement after the first meeting of the soon-to-be-established SNC. Prince Ranariddh further said he believed that the Big Five members of the UN Security Council would consider the Tokyo agreement a groundwork for their upcoming Paris meeting for which the four Cambodian parties are expected to be invited according to the five plus four formula.

KPNLF Split Widens, Endangers Cease-Fire

BK0906023890 Bangkok BANGKOK POST in English 9 Jun 90 pp 1,3

[Text] More flaws surfaced yesterday in a conditional Cambodian ceasefire agreement signed in Tokyo earlier this week, with a second resistance faction saying it would not honour it. According to a REUTER despatch from Aranyaprathet, a spokesman for the military wing of the Khmer People's National Liberation Front (KPNLF), which receives substantial US backing, said it had no representative at the Tokyo talks and was thus not obliged by its results.

The KPNLF is deeply split, with its nominal leader Son Sann holding no sway over the armed wing, which has been involved in protracted fighting since the claimed Vietnamese withdrawal from Cambodia last September. Son Sann attended the Tokyo talks although he did not sign the "self-restraint" agreement, a bilateral pact between resistance leader Prince Norodom Sihanouk, head of the three-faction resistance coalition, and Phnom Penh Premier Hun Sen.

Meanwhle in Bangkok, Prince Sihanouk's son Ranariddh told newsmen yesterday that Thai Defence Minister Chawalit Yongchaiyut tried to "save" the Tokyo talks by proposing that the original draft—as against the final draft which included last-minute US-sponsored changes—be signed. Khmer Rouge leader Khieu Samphan had boycotted the signing of the "self-restraint" agreement on grounds that he had no mandate to accept the modifications.

According to Prince Ranariddh, Gen [General] Chawalit made the attempt at about noon on June 5, the final day of the meeting but Japanese officials insisted on the new version. Gen Chawalit, Prince Ranariddh said, suggested that the annexes which specify the month when the Supreme National Council would convene could be discussed later on. The prince said he thinks Hun Sen would have agreed to sign the original draft if Thai and Japanese negotiators had "strongly insisted."

Prince Ranariddh said that Khmer Rouge leader Khieu Samphan had already initialled the text of the original ceasefire agreement but that US, Thai and Japanese officials tried to add new measures. The prince said some of the changes, such as that linking the "Voluntary self restraint" to the formation of a Supreme National Council and making the Khmer Rouge only a secondary signatory of the agreement—were proposed by US officials working through the Thais. He said efforts to change the original text continued even though Khieu Samphan said he had no authority to accept any changes. "I cannot understand the Americans who say the Khmer Rouge should not be included," the prince said. The prince said Khmer Rouge demands to be equal signatories of the original agreement should have received more support from the Thai and Japanese officials mediating the talks because the Khmer Rouge were doing most of the fighting.

Gen Chawalit's draft, signed in Bangkok, already represented a major step forward because it committed the Khmer Rouge to a ceasefire and it brought all the guerrillas and the Vietnamee backed government together for the first time. "The isolation of the Khmer Rouge is not really a solution," he said. He also added that the original text signing in Bangkok by the resistance and the Khmer Rouge were not the same. The texts signed by the resistance factions specifically stated "that it is appropriate to hold another bilateral meeting between Samdech Norodm Sihanouk and Hun Sen. The venue of the meeting will be Tokyo, Japan." He said the Khmer Rouge text initialled by Khieu Samphan did not include this paragraph.

Prince Ranariddh also said that there are two versions of the Chinese role in Tokyo—the "original version" and the "subtitle version." He said the original version came from Khieu Samphan. The subtitle version, Prince Ranariddh said, portrayed the Chinese as pressuring the Khmer Rouge to join the meeting for about an hour and a half. The prince admitted that the Japanese had asked the Chinese ambassador to talk to Khieu Samphan.

SRV Reportedly Arrests Dissident Officials

BK0906004090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Jun 90

[Text] Between the middle and the end of May 1990, the Vietnamese enemies and their puppet-lackeys arrested quite a large number of high-, middle-,and lower-ranking officials of the Vietnamese puppet regime in Phnom Penh because these officials opposed the Vietnamese enemies and puppet Hun Sen and Heng Samrin who have become out-and-out lackeys of the Vietnamese.

Philippines

Foreign Affairs Office Seeks Bases Talks Delay

HK0806043190 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 8 Jun 90

[Text] The Foreign Affairs Deparment has proposed to delay until August the second round of bases talks between the Philippines and the United States. It was initially set in June or July after the exploratory talks on 14 May. U.S. Embassy spokesperson Victoria Middleton said the new schedule is under discussion, but it is not confirmed whether or not the U.S. panel has received the proposal.

Meanwhile, Senate President Jovito Salonga said a proposal to give more time before the second round of talks was requested so that the country will have a common stand. He added that negotiations does not mean a new treaty. It could mean negotiations for a gradual phaseout of U.S. facilities.

Manglapus on Bases Joint Technical Committee

HK0806110590 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 8 Jun 90

[From "GMA News" program]

[Text] Foreign Affairs Secretary Raul Manglapus said today that the Philippine panel's proposal to continue discussions on the U.S. facilities in the country is intended to fully prepare the Philippine negotiators. According to Manglapus, his panel wants to obtain maximum information especially on the conversion of the U.S. bases for use by the Philippines.

According to Manglapus, the joint technical committee has completed the monitoring of U.S. fulfillment of its compensation shortfall to the Philippine Government. He added that Philippine panel chairman Raul Rabe is stepping up the preparations in order to send some panel members to Europe where they will observe the military and hospital equipment to be turned over to the Philippines by the United States.

Manglapus also noted that the discussions will be held before November.

Rebel Suspect in U.S. Airmen Murders Killed

HK0706052390 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 7 Jun 90

[Text] Soldiers last night killed a person suspected of involvement in the killing of two U.S. servicemen outside Clark Air Base last month. Lieutenant Colonel Julius Garcia, Angeles City police chief, identified the victim as Ramon Punzalang, a suspected New People's Army member. Punzalang was a suspect in the slaying of two U.S. airmen on 13 May hours before the start of the exploratory talks between the U.S. and the Philippines regarding the U.S. bases in the country. Ten Americans have been killed by suspected rebels since 1987.

Editorial Praises U.S.-Soviet Summit

HK0606122790 Manila PHILIPPINE DAILY INQUIRER in English 6 Jun 90 p 4

[Editorial: "Summit Heralds New Era in Superpower Relations"]

[Text] "The Cold War is now behind us. Let us not wrangle over who won it." With that declaration and plea, Soviet president Mikhail Gorbachev on Monday wound up a fruitful visit to the United States.

Earlier during their summit, Gorbachev and U.S. President George Bush signed several agreements to broaden trade, travel and scientific exchanges between their two countries. More significantly for nations everywhere, the two leaders concluded a number of agreements calling for the destruction of chemical weapons and reductions in conventional forces in Europe and the superpowers' long-range nuclear arsenals by a third over the span of seven years.

Critics were, however, quick to point out that such treaties are virtually meaningless in view of the huge nuclear stock-piles in both countries as well as of developments in Eastern and Central Europe. Former National Security Adviser [title as published] Henry Kissinger said the line dividing Western and Eastern Europe has vanished, making talks on conventional forces "irrelevant."

Jack Mendelsohn, a former member of the U.S. panel to the arms-reduction talks, has estimated that the Strategic Arms Reduction Treaty would cut the current U.S. stockpile from the current level of 12,400 strategic nuclear warheads to about 11,600 and that of the Soviets from 11,200 to about 9,600.

Stan Norris, arms expert of the private research group Natural Resources Defense Council, said that by the time start is fully implemented in 1998, both the U.S. and the USSR could have the same amount of destructive capability as they have today unless new treaties are concluded, because start allows both countries to keep building new nuclear weapons. He added that the treaty which Gorbachev and Bush pledged to complete before the end of the year, amounted to making a virtue out of necessity since the weapons to be destroyed are obsolescent.

The points raised by cynics are well taken. But this does not diminish the fact the Bush-Gorbachev summit has substantially advanced the cause of peace and cooperation between the superpowers. And with such an auspicious beginning, there is no gain saying that more can be done in the near future, especially with the kind of leadership now governing both nations.

Gorbachev's stirring valedictory was a candid admission that a lot remains to be done before it can be truly said that the world has been made safer for humankind. As he told the cheering crowd at Standford University, new kinds of alliances must be formed soon so that nations can achieve a unity "worthy of the life of a human being." In more concrete terms, he urged American and Soviet scientists to collaborate on devising ways of destroying nuclear weapons without harm to people or damage to the environment.

With the Cold War over, the world keenly awaits the further unfolding of the new era in superpower relations. At a time when the unthinkable (like the sudden collapse of Europe's communist regimes) has turned to reality, it may be possible to dream of the dawning of an age when the survival of humankind does not depend on the push of a button.

Tamano Denies Impending Arab Oil Embargo

HK0606115990 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 6 Jun 90

[From "GMA News" program]

[Text] Senator Mamintal Tamano today stressed that the Islamic Conference Organization will not impose an oil embargo against the Philippines as alleged by the MNLF [Moro National Liberation Front]. Tamano, along with Senator Rasul, was a guest at the diplomatic forum held at the Hyatt Hotel this morning. The two senators both maintained that the Aquino government is exerting every effort to uphold the welfare of Philippine Muslims.

According to Tamano, the government should investigate reports concerning a MNLF training camp in Malaysia and alleged links between Ali Dimaporo and the Reform the Armed Forces Movement.

Rescued Vietnamese Refugees Refused Entry

HK0606120390 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 6 Jun 90

[From "GMA News" program]

[Text] Commission on Immigration and Deportation chief Andrea Domingo today announced that the Aquino government stands firm in rejecting entry of more than 100 Vietnamese refugees rescued by the U.S. Navy recently. The refugees remained on the U.S. Navy ship and were not allowed to disembark until the Americans assure their relocation. At the same time, Domingo confirms the increase of Indonesians in Mindanao. According to her, there are about 20,000 Indonesians in the coastal towns of Mindanao.

Ramos Views Insurgency at News Conference

HK0606103590 Quezon City DWDD Defense Department Radio in Tagalog 0600 GMT 6 Jun 90

[News conference by Secretary of National Defense Fidel Ramos, moderated by Roy Sinfuego of the MANILA BULLETIN, at the Social Hall of the Department of National Defense in Camp Aguinaldo—live in English; italicized portions in Tagalog]

[Text] [Ramos] Good afternoon, everyone of the defense press corps. First of all, we would like to issue for your research and analysis—I emphasize research and analysis because this should not be a one-time story—the results of the operations of the Armed Forces of the Philippines [AFP] against the CPP-NPA [Communist Party of the Philippines-New People's Army]. As you remember, every quarter we come out with an update of the results of operations as measured by various parameters such as the average number of violent incidents per day, the fatalities resulting out of those violent encounters, the regional behavior as to what is happening in each of the regions, the monthly cycle as well as the number of incidents by major island groups, meaning Luzon, Visayas, and Mindanao.

We will make this available to the PIO [Public Information Office] so that this can be reproduced for your own reference and this can be the basis of your own reporting in so far as the national picture is concerned.

Now, certain highlights are worth mentioning. First of all, in regards to who has the initiative, it is very clear that during the first quarter of 1990, the AFP maintained the initiative against the CPP-NPA in the field by a ratio of 2.1 actions on the part of the AFP to 1 of the CPP-NPA; meaning, we are taking more actions and therefore we are maintaining the initiative and the momentum. This was the same ratio throughout all of 1989. The worst year, which was 1984, as borne out by these records, was when the CPP-NPA was taking more actions, initiating more encounters against the AFP. But of course, that threat has already been reversed in favor of the government.

Likewise, in regard to the combat losses or the fatalities arising out of these encounters or engagements: In 1989, as you will remember, the government, meaning the AFP and the Integrated National Police [INP] had a very favorable ratio of 2.4 enemies killed for every government trooper that we lost. The ratio for the first quarter of 1990 is two to one. This is not as favorable as 1989 for the whole year, but it is still favorable for the government. Perhaps this can be explained by the fact that the government troops had to attend also to the military rebels during that period immediately following December 1989. And therefore its attention was not fully focused on the CPP-NPA, but also to a certain degree against the military rebels.

There is also a continuous favorable ratio in regard to the firearms exchange. This is still very much in favor of the AFP. We do not have the exact figure because that is still being analyzed, but this will be provided to you as soon as possible. Okay?

[Moderator Roy Sinfuego] Yesterday, sir, the Supreme Court ruled on the significant rule on the rebellion complexed with murder against those who were accused of rebellion, like Defense Minister Enrile and the rest. *Sir, how will this affect the government's campaign against these elements?*

[Ramos] I think this will now pave the way for the pursuit of our legislative proposals to redefine rebellion so that it would be considered an unbailable offense, and also our proposal to define the new crime of coup d'etat, which should also be considered as a capital offense and therefore nonbailable, and which should be considered as a greater crime as compared to rebellion. *We have legislative initiatives there* already submitted to both chambers of Congress. And in fact, we have attended hearings in both the House and the Senate where we have recommended the approval of these two sets of proposed laws.

Now, if I recall properly, in the Supreme Court decision, I think one of the messages of the Supreme Court is for legislative action to be taken in regard to the crime of rebellion so that its elements, its penalties, and as to whether it should be treated as nonbailable or not will be defined under the law.

[Sinfuego] Any other question?

[Unidentified female reporter] Good afternoon, sir. Sir, do you think ex-governor Aguinaldo can now come out in view of the Supreme Court ruling, or what is the update on the manhunt on him?

[Ramos] I think this should be a question that should be asked from the Department of Justice because as far as I am concerned, that is still subjudice. There is also this declaration by the secretary of justice that the government would seek reconsideration of the recent Supreme Court decision and I think it would be improper for us to be speculating on that right now.

By the way, there is this report—I think this came from you—that I am supposed to have been ambushed somewhere, according to a report of a radio station in Legazpi City.

[Unidentified male reporter] That was made the other evening.

[Ramos] Where did this happen? Well, I want you to know that I am still here. And I was not ambushed. And I hope that I will not be ambushed.

[Unidentified male reporter] *Sir, what can you say about contradictory statements issued by our military commanders? For instance, very recently,* General Protacio of the Philippine Air Force was contradicting the statement issued by PC[Philippine Constabular]-INP chief of Recom [Regional Command] 7, General Zulueta.

[Ramos] *Does that concern* the recruitment by businessmen who support military rebels in the Cebu area? Well, I do not know really what General Protacio said, but when we checked this with General Zulueta, *he replied that the incident happened during the Mactan situation early in December 1989.* So, that must have been a very old report.

[Unidentified male reporter] Sir, there are reports that this recent Iglesia ni Cristo [Church of Christ] fiasco was intended to sort of destroy your credibility by some sectors in government. Would you like to comment on this?

[Ramos] I think we have pointed out that there has been some disinformation fed to the hierarchy of the church and this was picked up by media which tried to make the church look black before the authorities. And at the same time, it served to make the government look bad before the religious leaders, especially the Iglesia ni Cristo. Now, as to whether this is directed against me or not, again that is speculation that might lead to other speculation etcetera ad infinitum. *It is best that we end it here. General De Villa received a letter from Bishop Manalo of the Iglesia ni Cristo.* Now, this letter is a very welcome development because I think this would end the so-called problem—I say so-called because it is not really a problem—but I would rather that you got this from General De Villa because this letter is addressed to him. *You have received reports on this. So, ask General De Villa about it.*

[Reporters] Can you tell us about it?

[Ramos] No, this is privileged communication and I have no business circulating this to others. If you don't mind, please respect those... like it is. Okay?

Now, on my part, let me tell you that I have talked to and we shall dialogue some more in the next few days with Minister Teofilo Ramos, the administrative pastor of the Iglesia ni Cristo. He is not a relative, but he is a very dear friend who has been working with us in regard to peace and order for a long, long time already. And he has given me the same message, that the cordial relations between the military organization and the defense establishment on one hand, and the Iglesia ni Cristo should be maintained and restored.

[Sinfuego] Bobby de la Cruz.

[De la Cruz] What is your stand on the current developments of the status quo of the PNP [Philippine National Police] bill?

[Ramos] We will just wait for the Senate and the House to take the actions that they are contemplating, because after all, Congress is still in session. We have asked, however, for an opportunity—later on in the future—for the department as well as the AFP and the PC-INP to be heard officially on the latest version of the bicameral conference report.

[De la Cruz] Follow-up question. I understand, if I recall it, the DND [Department of National Defense] is against the creation of another department which will handle the PNP, the Philippine National Police, and it is the feeling that the Senate is bent on throwing out the PNP bill because of the creation of another department.

[Ramos] What department are you referring to, because there are two departments that are supposed to be created.

[De la Cruz] The Department of Public Order and Security.

[Ramos] We have already written our position to the president on this. It is very lengthy and perhaps we should not go into that again, but may be we can provide the PIO a copy of this so that you can refer to it.

Make that available to them. Let us write that down.

[De la Cruz] Thank you, sir.

[Ramos] By the way, this is also by way of an opening statement. Just to announce to you that the Department of National Defense, including all of its bureaus, particularly the Armed Forces of the Philippines, is supporting the observance of Philippine Environment Month. This is part of the observance of World Environment Day of the United Nations. This started yesterday for the entire month of June, and our implementing program refers to the following: First, a more vigorous maintenance program for all our vehicles so that we will not be polluting the air too much; cleanliness of surroundings; an information drive utilizing our units in the field so that the overall government program of environmental protection can be supported; and some others which are in support of the overall program of the Department of Environment and Natural Resources. The protection of the forests, the marine environment, and wildlife are very important parts of this program and we will give this our views.

[Sinfuego] Any more questions, Mr. Mogato.

[Mogato] Sir, do we have any problems in our manufacture of Armalites, because we heard that the (Eliton) has retrenched about 180 workers because of lack of materials for production of Armalites? Do we have any problems in this?

[Ramos] The problem is a result of the higher foreign exchange cost of imported materials. At the moment, we are also studying a request for escalation of the agreed price and related matters. But our position in the Defense Department—as has been our position with regard to other self-reliance defense posture industries—is to maintain the capability of Philippine producers to manufacture these defense items so that we can keep down the costs in relation to what it would cost to import them. Secondly, so that we would maintain the technology here. And thirdly, so that the jobs and the profits can be retained in the Philippines, instead of them going to some foreign manufacturers. And so, at the moment, these matters of adjustment are being worked out by technical groups under the defense department.

[Unidentified male reporter] Sir, with regard to your proposal for a common [words indistinct], can Singapore help us in the production of these Armalites?

[Ramos] No, right now the initiative has been passed on to the private sector in ASEAN, which would take the initiative of organizing among themselves some kind of a confederation. I think it has been proven that the private sector should continue to be the engine of industrialization and not the government, but the government supports. Okay?

[Sinfuego] Thank you very much.

[Ramos] Thank you very much, Mr. Chairman.

De Villa Assures of Stable Security Situation

HK0706110390 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 0930 GMT 7 Jun 90

[From "GMA News" program—italicized portion in English]

[Text] Armed Forces chief of staff General Renato de Villa today assured that the country's security situation has stabilized despite recent incidents of bomb threats and ambushes by the New People's Army rebels. De Villa issued the assurance during a meeting with President Aquino and other military commanders in Malacanang.

In an interview after the meeting, De Villa said only simple security precautions are being enforced at the moment, adding that the military camps have been placed on a blue alert in preparation for the Independence Day celebration:

[Begin De Villa recording—in progress] *...stable, and we do not foresee any danger that the government will in any way be dislodged or taken out by anyone.* [end recording]

De Villa said despite Aquino's emergency powers expiring tomorrow [8 June], the national state of emergency remains enforced in the country.

Further on Reported Activity at Camp Aguinaldo

HK0806050190 Manila THE MANILA CHRONICLE in English 8 Jun 90 pp 1, 7

[By staff member Manny Mogato and correspondent Noli Cabantug]

[Text] The Military admitted yesterday that the frantic stirrings inside its headquarters the night before had been in preparation for possible rightwing moves to destabilize the government.

That night, armored vehicles took strategic positions inside Camp Aguinaldo, and trucks drove about unloading supplies and soldiers who, suited for combat, dug in on the perimeter.

The armed forces vice-chief of staff, Maj. Gen. [Major General] Rodolfo Biazon, was himself present overseeing the proceedings. At one point, he went out in the grounds, also in full battle gear, to inspect his troops.

Outside the camp some military operations were going on, reportedly to preempt any moves by rebel soldiers that might be afoot. Government soldiers, for instance, staked out a house northeastern fringe of Quezon City, although it was not made known who the target might be.

In Castillejos, Zambales, the estate of former Gov. Vicente Magsaysay, a staunch supporter of the late dictator, Ferdinand Marcos, was raided. Guns, ammunition, military uniforms and communications equipment were seized from it. But not one of the military rebels supposedly training there was found. Neither was

Magsaysay. He was in the United States, according to a younger brother, Gil, who was looking after the place and was taken instead, to be charged probably, military authorities said, with illegal possession of firearms and ammunition.

These operations, according to military authorities, were not unusual, and the flurry of activity inside Camp Aguinaldo was, according to Biazon, merely an exercise and a rehearsal for the Independence Day observance on June 12.

But Biazon's boss, Gen. Renato de Villa, the armed forces chief, said that, in fact, the military was "on full alert" that night. Biazon himself had reports, he said, that rebel soldiers might make a move. "There was really nothing specific about it, but General Biazon told me that these planned moves could range ... from rescuing detainees and conducting terroristic activities."

Earlier, as he emerged from an unscheduled meeting with President Aquino in Malacanang, De Villa had tried to reconcile to reporters Biazon's downplaying of the events of Wednesday night and his own pronouncements. He said the military was preparing for the possibility of the rebel's choosing to make their move on Independence Day, as intelligence suggested they might. He gave assurances, in any case, that the country "remains stable." He said, "We don't foresee any danger that the government will in any way be dislodged."

In Davao City, Defense Secretary Fidel V. Ramos military rebels [as published] had shifted to a "more aggressive and violent" strategy.

The enlistment of Abraham Purugganan, the fugitive army major, in the shadowy Young Officers' Union (YOU) signaled the change.

The YOU had earlier claimed to have abandoned coup attempts as a means of toppling the government and broken away from the Reform the Armed Forces Movement (RAM), the leading coup plotters, and adopted the communists' protracted-war approach. "They have abandoned their philosophical and ideological approach to an aggressive and violent approach," Ramos told military commanders during a command briefing.

Ramos also blamed the YOU for disinformation and black propaganda against the Aquino government, including the military. He specifically held Purugganan responsible for poison letters, rumors and death threats against businessmen supporting the government.

Aside from Purugganan, Ramos also named three YOU leaders as active recruiters inside the military: PC [Philippine Constabulary] Lt. Col. [Lieutenant Colonel] Victor Batac, a former intelligence officer and a classmate of Gregorio Honasan, one of the top coup leaders; PC Capt. [Captain] Diosdado Valeroso, a protege of Batac; and PC Capt. Washington Javier, who resigned from the service after the August 28, 1987 attempt.

At the same briefing, Brig. [Brigadier] Gen., Mariano Baccay, the regional commander of the PC-Integrated National Police, complained that rebel activities had been keeping the military from its counterinsurgency work.

Insurgency is threatening the economic development in the region, he said. The army commanders there—Colonels Danilo Olay and Herminigildo Agaab—confirmed the massing of rebel forces in Davao del Norte over the past three weeks after being driven from Davao Oriental, Surigao del Sur and Agusan areas. The army estimated that close to 1,000 communist rebels were now operating in the region, including rebel priest Frank Navarro, who transferred his base from Agusan to Davao del Norte.

Military on Red Alert for Independence Day

HK1106085990 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 11 Jun 90

[By Eloi Aquino]

[Text] The military has been placed on red alert since 0800 this morning to ensure a peaceful Independence Day celebration. Armed Forces spokesman Colonel Juanito Rimando said the red alert status covers all military units nationwide. About 2,000 soldiers and policemen were already deployed to provide security for tomorrow's celebration in Metro Manila. Rimando said the red alert is a normal procedure taken on 12 June each year to preempt any possible disruption during the celebration. He explained that the red alert is also aimed at preventing violence. The military was placed on blue alert on the weekend, while 10,000 troops from four major military branches arrived in Manila to participate in tomorrow's celebration.

Last week the National Capital Region Defense Command was placed on red alert following intelligence reports of a rightist groups' plot to rescue their detained comrades in various Manila camps.

Task Force Established

HK1106070790 Quezon City DWDD Defense Department Radio in Tagalog 0600 GMT 11 Jun 90

[From the "Military News" program]

[Text] Capital Region Command [Capcom] and Metropolitan Police Force [MPF] director Brigadier General Marino Filart has set up a task force to ensure peace and order at Rizal Park, in view of the Independence Day celebration tomorrow. Filart ordered all Capcom and MPF units to be prepared to give reinforcements if necessary to the Task Force Luneta, headed by Colonel Geronimo Valderama, Capcom deputy commander for operations, during the celebration. Filart said the task force is composed of two crowd control battalions with support from elements of the major service commands of the armed forces, including military police, medical teams, and bomb explosive experts.

The Western Police District [WPD] will deploy about 400 plainclothes policemen at the Quirino grandstand tomorrow for the 92d Independence Day celebration. WPD Operations chief Colonel Ricardo Reyes announced the department was placed on red alert two days ago in relation to the freedom day celebration. Colonel Reyes also ordered Major Rodolfo Rival to monitor the activities of rightist and leftist groups who may disrupt the celebration, adding that WPD cars would guide military tanks and armored carriers during the parade to prevent any attempt on the life of the president.

Meanwhile, the Metropolitan Police Field Force [MPFF] is preparing two military jeeps and 20 Isuzu (Elf) type trucks carrying about 48 personnel to take part in the military and police rehearsals in front of the Quirino grandstand in relation to the Independence Day celebration tomorrow. Major Prospero Barsenas, MPFF chief, said that although his men will take part in the Independence Day rites, his group will continue its monitoring activities around Manila under the Operation Laging Handa [Always Prepared] scheme, adding that his men had not gone home for the past two weeks due to the red alert situation in Manila. In this regard, Major Barsenas warned all bad elements against exploiting the situation because even if his men are burdened with Operation Laging Handa, they still continue to monitor their activities.

Embassy Evacuation Plans Reported

HK1106043590 Manila PHILIPPINE DAILY GLOBE in English 11 Jun 90 p 6

[By staff writer Dionisio Pelayo]

[Text] Foreign missions here have drawn up evacuation plans for their nationals in the wake of rumors of another coup sweeping Metro Manila.

Reports monitored in Camp Aguinaldo said that at least five foreign embassies and the Asian Development Bank have such plans in place.

A senior military officer said the persistent rumor "have apparently sent jitters among (members of) the foreign community which is already planning contingency measures."

Details of the contingency measures were not revealed and there has been no independent confirmation from the foreign embassies and missions.

Earlier, Maj. Gen. [Major General] Rodolfo Biazon, AFP [Armed Forces of the Philippines] vice chief of staff, said last month that rebel soldiers might stage another coup attempt this month. Maj. Gen. Gerardo Protacio, chief of the Philippine Air Force (PAF), also said that the coup plotters might time their attempt to topple the government with such holidays as Independence Day tomorrow or Fil-Am Friendship Day on July 4.

Another possible date is June 19, the birth anniversary of Dr. Jose Rizal, the country's national hero.

Military authorities have imposed strict security measures in all detention centers and stockades following reports that the Reform the AFP Movement-Soldiers of the Filipino People (RAM-SFP) and the Young Officers Union (YOU) plan to spring detained rebel soldiers.

Last week, the YOU Rex Baquiran Brigade claimed it "rescued" two lieutenants detained at Fort Bonifacio and warned of more rescue operations. The YOU also claimed responsibility for the escape of former PC [Philippine Constabulary] Lt. Col. [Lieutenant Colonel] Billy Bibit from the Manila City Jail in April.

Maj. Gen. Cesar P. Nazareno, PC-INP [Integrated National Police] chief, ordered strict security measures particularly at the PC-INP Jail at Camp Crame where at least 30 military officers allegedly involved in the December putsch are detained.

Aquino Urges Vigilance

HK1106034190 Baguio City Mountain Province Broadcasting Company in English 0230 GMT 11 Jun 90

[Text] President Aquino rallied the nation to remain vigilant against continuing threats to grab power by both rightists and leftist forces, saying that freedom and democracy must survive in the country. The president, speaking at the eve of the country's 92d Independence Day, said that freedom and democracy that the country enjoys at present should be preserved as it has achieved national progress and a better life for the people. She said that the June 12, 1898 experience and the EDSA [Epifanio de los Santos Avenue] revolution of 1986 have striking similarities as they speak of the same truth inherent to a people's struggle toward freedom and democracy.

Senate Accuses Aquino of Violating Constitution

HK0706050590 Manila PHILIPPINES NEWSDAY in English 7 Jun 90 pp 1, 2

[By Reporters Jose Macaspac III, Merlinda Manalo, Fidel F. Asor Jr., Mary Eileen Paat, Diony Tubianosa, and Arturo I. Bariuad]

[Text] The Senate yesterday said President Aquino violated the Constitution when she named Justice Secretary Franklin Drilon chairman of the government-owned Philippine National Bank (PNB). It approved a motion to send a formal resolution to Malacanang calling its attention to the violation.

Senators, expressing disappointment over the sudden ouster of Joker Arroyo as PNB head Tuesday, said Malacanang obviously overlooked the constitutional prohibition against members of the Cabinet holding other offices or employment during their tenure.

They cited Section 13, Article VII of the Constitution which provides that "the President, the Vice President, the Members of the Cabinet, and their deputies or assistants shall not, unless otherwise provided in this constitution, hold any other office or employment during their tenure. They shall not, during said tenure, directly or indirectly, practice any other profession, participate in any business, or be financially interested in any contract with, or in any franchise, or special privilege granted by the Government or any subdivision, agency, or instrumentality thereof, including government-owned or-controlled corporations or their subsidiaries. They shall strictly avoid conflict of interest in the conduct of their office."

Senate President Jovito Salonga raised the issue while interpellating Senator Victor Ziga who lamented the "massacre" of Bicolanos in the administration, referring to Arroyo and Customs Commissioner Salvador Mison, who was also voted out of the PNB board.

Salonga called attention to the constitutional violation. But when asked by Senator Ernesto Maceda whether such violation was enough to start impeachment proceedings against the President, Salonga said no. Under the Constitution, the violation has to be "culpable."

Senator Aquilino Pimentel Jr., after calling attention to a conflict of interest between Drilon's two positions, then moved that a formal resolution be sent to Malacanang calling attention to the constitutional violation.

At the same time, at a congressional hearing on former PNB chairman Joker Arroyo's allegations against Trade Secretary Jose Concepcion Jr. and Presidential Economic Coordinator Vicente Jayme in the granting of a P1 billion [pesos] loan to the Luzon Petrochemical Corporation (LPC), Arroyo likened the Central Bank [CB] to a Robin Hood in reverse—"robbing the poor to give to the rich."

CB Governor Jose Cuisia Jr. has defended the loan denounced by Arroyo before his PNB ouster. Concepcion, Jayme and Cuisia used charts and figures to show that the loan was above board, and that the petrochemical project would benefit the economy. Concepcion said that the Taiwanese investor in the controversial project has given the government an "ultimatum" to decide whether the project will proceed or not.

Arroyo maintained the loan was a scam and that it was "only the tip of the iceberg." More will be unearthed about the deal, he told Senate reporters.

Drilon said he will review the documents pertaining to the petrochemical loan to determine whether there is need for further investigation. But Solicitor General Francisco Chavez said the Ombudsman, Justice Conrado Vasquez, can initiate the investigation even without a formal complaint because those involved are public officials.

Aside from the constitutional objection raised against Drilon's appointment to the PNB, other points were raised. Senator Neptali Gonzales, for his part, said that apart from the constitutional restrictions, President Aquino's decision to appoint Drilon showed her "limited field of choice." He said: "It was unfortunate that the President selects her appointees from a small circle of people. It is a tragedy that we are a nation of 60 million people of wasted talents."

Senator Rene Saguisag, once the spokesman of President Aquino, claimed that such appointment was "constitutionally interdicted He said this was specifically the actions that the 1987 Constitution tried to prohibit. Saguisag added that with Drilon's appointment, the government is in effect rewarding an official who was chiefly responsible for the administration's debacle in the Enrile case before the Supreme Court.

Arroyo was replaced last Tuesday by President Aquino as PNB chairman days after he exposed an alleged attempt by the Taiwanese financier of the project, USI Far East (USIFE), to "milk" local financial institutions. Arroyo has charged that the firm and its local subsidiary, LPC, are undercapitalized and would source most of the project's funding from local sources. He has also accused Concepcion, Jayme and the Board of Investments (BOI) of unabashedly pushing for the project despite the firms' questionable conduct.

The Senate blue ribbon committee, however, rescheduled Arroyo's appearance before it as he had to appear before the House of Representatives.

Arroyo, appearing before the joint house committees on economic affairs, trade and industry, and public accountability, showed his charts as he insisted that the petrochemical plant proposed by the LPC was a product of a shady deal where everybody could benefit the most, except the Filipino people. Arroyo insisted that while a petrochemical industry is badly needed by our country, there is a big question on the scheme used to realize the pioneering project and that government financial institutions should not be dragged into a deal like it.

The LPC proponents supported their arguments with facts and figures to deny there was a behest loan granted the LPC and that there never was any pressure on the part of PNB, CB and the DTI [Department of Trade and Industry] just so the loans could be approved by the participants in the proposed syndicated loans to LPC. According to CB Deputy Governor Gabriel Singson, it was impossible for the "behest loans" to be granted to LPC since the CB Circular 572 provides that "foreign firms can avail themselves of peso loans from domestic banks, non-bank financial intermediaries and insurance companies only upon the presentation of a valid certification to borrow, issued by the interagency committee on domestic borrowings of foreign firms composed of representatives of the CB, Department of Finance, BOI and NEDA. [National Economic Development Authority]." Based on the debt-to-equity ratio prescribed by said circular, Singson said, LPC could not be granted a loan of P1.0 billion with a paid-in capital of only P20 million.

Meanwhile, Luis Virata, managing director of Exchange Capital Corp. (ECC), the financing agent of LPC, denied reports that LPC is transferring to Malaysia because of the Arroyo expose.

Aquino Refutes Charge

HK0706090390 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 7 Jun 90

[Text] President Corazon Aquino today defended her appointment of Justice Secretary Franklin Drilon as Philippine National Bank [PNB] board chairman. The president said this is an old issue which had long been clarified, stressing that the prohibition against officials holding other posts has exemptions that are stipulated under the Constitution. One is the primary function of her office to issue laws to allow this. Executive order 284 allows a cabinet member to hold not more than two other positions. The president said: We have adhered to this in making our appointments and nominations.

Earlier, Senate President Jovito Salonga said the appointment of the justice secretary as PNB chairman violated the constitution.

Meanwhile, the president refused to answer questions on reasons why Joker Arroyo was dismissed as the PNB chairman.

More Reportage on Enrile Supreme Court Ruling

Drilon Interviewed on Ruling

HK0606093190 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 6 Jun 90

[By Vic Pambuan from the Department of Justice—italicized portions in English]

[Excerpts] The government will not file a motion for reconsideration of the Supreme Court ruling on the non-existence of the rebellion complexed with murder and frustrated murder charge against Senate minority floorleader Juan Ponce Enrile and the Panlileo couple. Justice Secretary Franklin Drilon said that after consultations with Solicitor General Frank Chavez and the presidential legal counsel, it was agreed that despite a 10-2 vote in favor of the invalidation of the rebellion complexed with murder and frustrated murder charge, the Justice Department will press on with prosecution of Enrile and the Panlileos for their parts in the aborted December coup.

Here is an excerpt of our interview with Secretary Drilon.

[Begin recording] [Pambuan] Good afternoon, Secretary Drilon.

[Drilon] Good afternoon, Vic. I just want to clarify that the charge that we will press on with will be limited to simple rebellion as dictated by the Supreme Court. We will prosecute them on the rebellion charge. This means that the charge is bailable.

[Pambuan] Who are the authors of the Senate bill that you spoke about earlier and which is connected with the continuation of the prosecution of Enrile and company?

[Drilon] This urgent administrative measure was filed by Senate President Salonga as Senate Bill No. 1500 on 27 March. It defines a coup d'etat and stipulates new penalties for the guilty parties, specifically—life imprisonment.

[Pambuan] What is your reaction to the Supreme Court ruling on the invalidity of the rebellion complexed with murder and frustrated murder charge?

[Drilon] As I have said earlier, we acted the way we did because we believed that our government should be given protection. *We thought this was the best legal remedy available under the circumstances to the prosecutors and, as advocates of the law, we asked the law to review the Hernandez doctrine. Now the Supreme Court has spoken—it is the final arbiter of the law*—and we will abide by the decision of the Supreme Court that only the charge of simple rebellion may be filed. We will carry on with the case as one of simple rebellion.

[Anchorman Taruc] Sir, you will be our guest tomorrow on "Liberty in Action," so I shall just pose one question. Earlier, some senators criticized your appointment as chairman of the Philippine National Bank [PNB] board. Would you like to comment on that?

[Drilon] What were their criticisms about?

[Taruc] Some senators claimed that your appointment was ill-timed as it came on the heel of the Supreme Court decision.

[Drilon] It was pure coincidence as we do not control the events around us. PNB held its stockholders' meeting yesterday and by coincidence, the Supreme Court released its decision on the same day. The president decided that I should be the chairman of the PNB and, as a member of her cabinet and as a servant of the president, I can only follow orders. As I said, it was just pure coincidence. [passage omitted] [end recording]

Secretary Drilon also released a statement saying that he will resign from his post if his recommendation that the case against Enrile be based on simple rebellion is not accepted.

I will read the statement or suggestions of Secretary Drilon:

Suggestions that I resign as Secretary of Justice in view of the adverse ruling of the Supreme Court in the Enrile case must be taken as among the inevitable hazards of public office. As a member of the cabinet, I serve at the pleasure of the president. The moment I lose the president's confidence, I shall not stay in my position a minute longer. To my mind, that occasion has not presented itself. I take full responsibility as secretary of justice for the action of the prosecution team in filing the information for rebellion. It was a response to public duty that calls for asserting the government authority to protect it from its violent detractors that impelled us to undertake the present action. As any government act, it was open to constitutional challenge under our democratic system. There are times they do not stand judicial scrutiny. In which case, as we abide by the court's decision, we also look for the other various avenues to pursue our mission as effectively.

Maceda Calls for Resignations

HK0606085590 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 6 Jun 90

[Text] Senator Ernesto Maceda has called for the resignation of Justice Secretary Franklin Drilon, Solicitor General Frank Chavez, and Executive Secretary Catalino Macaraig Jr. According to Maceda, the three officials made a mistake that caused embarrassment to the executive department when the Supreme Court ruled that there is no offense of rebellion complexed with murder under Philippine law. Maceda also blamed the officials for having initiated the filing of two charges against opposition Senator Juan Ponce Enrile and 22 other civilians implicated in the December coup attempt. Here is part of Senator Maceda's statement:

[Begin Maceda recording] Who will answer for the violence that occured in Cagayan? Can we bring back to life General Florendo and the others who were killed there? It was clear that Cagayan Governor Aguinaldo said that if the charge was just rebellion and that he would be allowed to post bail and not go to jail, he would surrender, as he does not want to waste away inside a jail.

On Senator Enrile, how can one pay him back for his being detained for one week? The Senate lost an opposition member for one week. Who will pay for the detention for several days of General Brawner, Rebecco, and Linda Panlilio? Who will pay for their lawyers' fees in defending the case in the Supreme Court, their bail premiums? In the lower courts, bail is maybe 50,000 pesos or less, but in the Supreme Court, bail is 100,000 pesos.

So, there has been damage inflicted on more than the administration's credibility. [end recording]

Resignation Calls Rejected

HK0606091590 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 6 Jun 90

[By Dick Sinchongco]

[Text] Executive Secretary Catalino Macaraig Jr. emphatically rejected Senator Ernesto Maceda's call for him to resign for shaming Malacanang in relation to a decision issued by the Supreme Court stating that there is no rebellion complexed with murder offense under the law. In an interview with Malacanang reporters, Macaraig questioned Maceda's right to call for his resignation as he was not the person who appointed him to his post.

Meanwhile, Justice Secretary Franklin Drilon said his retention in the cabinet is dependent on President Aquino's decision, stressing that the moment the president loses her confidence in him, he will surely resign from the cabinet. He added that they will study today whether there is a need to file a motion for reconsideration in relation to the court's ruling.

Earlier, Senator Maceda strongly called for the resignation of Macaraig, Drilon, and Solicitor General Frank Chavez and the scrapping of the rebellion complexed with murder case filed against former martial law administrator and now opposition Senator Juan Ponce Enrile.

Editorial Views Ruling's 'Meaning'

HK0606030390 Manila PHILIPPINE DAILY GLOBE in English 6 Jun 90 pp 1, 4

[Editorial: "Undone by Her Own Wisdom"]

[Text] The decision is out. Sen. Juan Ponce-Enrile et al. are off the hook for the crime of rebellion complexed with murder. By a vote of 11 against the government on this point, with the Chief Justice alone dissenting, the Supreme Court rejected the government's position that Enrile et. al. could be held upon such a charge—without bail.

In a decision penned by Justice Andres Narvasa, the Court ruled that the time-hallowed doctrine in the case of People vs. Hernandez—to wit, that rebellion absorbed the crimes attendant to it—must hold in the face of the feeble reasons advanced against it by the government.

"In the view of the majority, the ruling remains good law, its substantive and logical bases have withstood all subsequent challenges and no new ones (were) presented persuasive enough to warrant a complete reversal," said the Court. It added that if there was any doubt about its reading of its own precedents, the corroborating action of President Aquino confirmed its correctness. For while yet holding absolute power as legislator and executive under the 1986 Freedom Constitution, she had with a flourish of the pen wiped away the legislative measures by which the Marcos regime had tried "to nullify or neutralize" the liberal spirit of the Hernandez doctrine.

"In thus acting, the President in effect by legislative fiat reinstated Hernandez as binding doctrine with the effect of law. The Court can do no less than accord it the same recognition, absent any sufficiently powerful reason against doing so."

That being the case, the Court voted "unanimously" to reject the theory that Hernandez can be limited in its application to offenses committed as a necessary means in rebellion and reached the consensus that "the real thrust of Hernandez" rules out "the complexing of rebellion with any other offense committed in its course."

The rest of the decision in obiter dicta. [sentece as published] The ponente's opinion, whereby he tried to limit the damage the government must incur from this adverse decision by declaring that the swift but improper remedies solicited by Senator Enrile in this case, and granted to him by a generous Court, would not in future be so readily available to others in his situation.

But no amount of threatening language against Enrile could gloss over the fact that the government had lost and lost miserably. So overwhelmingly in fact, that the question must be asked: How could government have been so off the mark, upon a point that the vast majority of the Court saw so clearly: you cannot detain a man upon a cause that does not exist? Had the vote been closer, had the grounds on which the Court upheld the accused against the state been more tentative, well might it be argued that it was all a matter of interpretation.

But such was not the case here. Eleven out of 12 had seen what democratic tradition and jurisprudence had long established as the received wisdom on rebellion. Here was no uncertain group in which the Executive might have ventured to carve out a new doctrine. Every lawyer worth his salt knows the doctrine. No less than the deposed dictator, Ferdinand Marcos, had acknowledged it by passing special laws to weaken it. Laws that President Aquino had abolished, consistently with the cause in which she had triumphed. Yet, the President's men had not seen it, or chose not to see it; and thus, by self-inflicted blindess, drew the President into their egregious error.

But while the government lost, it lost—be it as carefully noted, as it is clearly laid out in the decision—by this democratic government's own admission that rebellion in the universe of democratic discourse is both a contingency against which society must guard and a residual right whose validity democracies cannot totally impugn without undermining the theory of popular sovereignty.

In July 1987, President Corazon Aquino stood before the Congress she had resurrected from the grave in which her predecessor had thrust it, and, by an act of sovereign division, declared that the powers she held she was thereby apportioning among the three branches of government. She had abolished the harsh measures by which a dictatorial regime had tried to secure the fearful obedience, where it could not elicit the respectful cooperation, of the people. She had affirmed the greatest of democratic traditions, the right of rebellion—not by adventurers out to destroy popular liberties for their personal ambitions, nor by old thieves out to restore their previous dominion—but by the people for their freedom.

That democratic affirmation would return to haunt her in the hour of her government's greatest peril, and would prove her undoing in that government's most foolish act. Yet might it be said of her, as of no one else, that it was her wisdom in the past that proved her undoing in the present—if one cares to call it that—and that only this President can hold a candle to herself and show where she went wrong.

That is the meaning of the Enrile decision.

Enrile Urges Honasan, Aguinaldo To Face Charges

HK0606093390 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 6 Jun 90

[Text] Senate minority floorleader Juan Ponce Enrile has just ended a news conference here where he called on ex-Colonel Gringo Honasan and former Cagayan Governor Rodolfo Aguinaldo to come out in the open and face their charges in view of the Supreme Court ruling invalidating the charge of rebellion complexed with murder and frustrated murder. Consequently, Enrile said, bail may be posted by the accused.

Official Says Aquino's Assassin Left 18 May

HK0706104990 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 7 Jun 90

[Text] An American national who came here allegedly on a mission to liquidate President Aquino has left the country. According to Commission on Immigration and Deportation chief Andrea Domingo, Gary Romriell left on 18 May for Seoul, South Korea. The military said Romriell was hired by a group to assassinate the president and other government officials. Domingo explained it was too late when they discovered that the suspect stayed for four days in a Makati Hotel:

[Begin Domingo recording] *I don't know. But this guy Ipa Romriell, he left on May 18 for Seoul via Korean Airlines. I have transmitted the information to Interpol because on the arrival card, he has his address. He is from the United States. That was the home address that he gave on his arrival card. So, if they want to carry on the investigation from that end, they can do so. But as far as we're concerned, we've already traced and traced down this guy, Ipa Romriell.* [end recording]

Democratic Socialist Party Awarded Accreditation

HK0606123190 Manila PHILIPPINE DAILY GLOBE in English 5 Jun 90 p 8

[By Correspondent Mar-Vic Cagurangan]

[Text] The Commission on Elections (Comelec) has approved the application of the Partido ng Demokratiko-Sosyalista ng Pilipinas (PDSP) [Democratic Socialist Party of the Philippines], the country's social democrats or "socdems", to enter the political fray as a political party.

The PDSP, which claims a membership of 300,000 nationwide, won the accredition shortly after it held a three-day national congress over the weekend.

The party congress had for its theme, "peace, democracy, socialism and progress."

The PDSP becomes the 54th political party to be officially recognized by the Comelec.

It was among political groups in the forefront of the revolt against President Marcos during the February 1986 snap election and gave its full support to the Aquino administration since its assumption to power. However, in a resolution released after the congress, the PDSP expressed frustration and disillusionment over what it perceived to be President Aquino's "slowness and vacillation" in instituting badly needed social reforms.

PDSP chairman Norberto Gonzales, said the party is now adopting a "principled and independent stance" vis-a-vis the government. Among the new policies of the PDSP, according to Gonzales, are:

—To oppose and denounce all policies of the government that tend to constrict the democratic ships, or tighten imperialist stranglehold on the country, and;

—To set itself up as an alternative to the present dispensation as well as conservative or extremist political forces.

Columnist Views Aquino's Falling Credibility

HK0606124190 Manila PHILIPPINE DAILY GLOBE in English 5 Jun 90 pp 4, 5

[Column by Renato Constantino: "Personalized Anger"]

[Text] Many heads of state started out as darlings of the masses but ended up as symbols of mass indignation. This is now beginning to happen to EDSA's [Epifanio de los Santos Avenue] own darling. Many of those who are suffering from her administration's inaction or from its erroneous policies are starting to look beyond particular officials and casting the blame on the person who put them there.

People used to just forgive and forget, or they practiced selective perception—noting the good and ignoring the bad. Others goodnaturedly waited for her growing pains to end, captives of the myth that she had been a reluctant candidate on whom the people had forced the burdens of state. Today, the wrongs are too monstrous and insufferable to screen out; they dwarf whatever is right, honest and sincere about the incumbent president.

After more than four years of trial and error, hit or miss and recurrent musical chairs in increasingly lackluster Cabinets, President Aquino can no longer escape judgment. She is now plainly and inevitably answerable to the people.

There is just too much to complain about, the level of frustration tolerance has already been surpassed. A normally indulgent and protective citizenry is now cursing the government, starting with its head who as chief executive exercises command responsibility.

City people forced to endure unprecedented power outages and acute water shortages are no longer willing to suffer in silence. Their justifiable anger is aggravated by the way these terrible inconveniences are explained away in such a cavalier fashion.

Estimates show that what the country will lose cumulatively as a result of abnormal disturbances in power and water supply is more than the toll of destruction wrought by the December coup. It may not be farfetched if businessmen and other practical-minded citizens are now thinking the unthinkable: perhaps an efficient military-technocratic dictatorship is perferable to interminable incompetence and insensitive neglect of the basic requirements of a functioning polity... if only they were sure their economic interests would not be touched...

The chronic incompetence of the Aquino administration has led believers in corporate efficiency to compare what is happening in government to what is expected to happen in a corporate environment: in government, the chief executive is allowed to muddle through; in a strictly business setting, the president of the corporation would have been fired at the first hint of incompetence.

There are even some who publicly acknowledge a vague nostalgia for the much reviled previous administration, even for the former First Lady now undergoing public trial for graft and racketeering. Imelda Marcos, they say, actually worked for the delivery of 11 basic services, including power and water, to the BLISS [Housing Project] communities within her reach. She may have been motivated by political considerations and image-building; on hindsight, however, it has turned out that starting with the basics is the only right way to start. This, coming from people who do not belong to the Loyalist fold, should be cause for alarm for those in power.

In contrast, President Aquino seems to be too preoccupied with non-essentials. She is quick to defend her official kith and kin now as widely held responsible for her administration's "scandalous levels of corruption" as the Marcos-Romualdez clan and cronies had been. Moreover, she is taking forever to make good her threat of catching at least "one big fish" guilty of graft. One fears that the difficulty lies not in catching the one big fish but choosing a big fish who when indicted will not squeal on even bigger fishes.

She indulges foreign visitors and foreign media with lavish use of her time, and endures straight insults about her administration's absolute dependence on American aid, and lately, on American Phantom jets from the U.S. bases.

Meanwhile, she blithely alienates whatever remains of her popular support. Cause-oriented groups who were still willing to give her a last chance after the failed coup are appalled at the way she sacrificed Florencio Abad while pretending to be for him in the controversy on the Langkaan industrial estate. Angry farmers vent their frustration on the Department of Agrarian Reform, now on its fifth reorganization in four years, and are promptly slapped with sedition charges. The Comprehensive Agrarian Reform Law, the so-called centerpiece of the Aquino administration, has not taken off at this late an hour, riddled as it is with a variety of issues including those involving the President's family hacienda and rumors about who really masterminded the Garchitorena scam.

It is not only the farmers but also the workers who claim that Aquino's campaign reference to the rising price of galunggong [fish] has now become the measure of deteriorating living conditions under her administration—galunggong has already reached the status of being the poor man's fried chicken. While we used to export rice, we are now importing this staple grain, together with feeds, apples, and patis [fish sauce] which we produce ourselves, thus wasting our dollars and adding to our foreign debt, which ballooned in the last few years under Aquino.

We cannot keep on blaming this or that Cabinet secretary. In their exasperation, people will eventually look at Mrs Aquino as the embodiment of all their sufferings. Their frustrations will be transposed into a personalized anger against the Joan of Arc of EDSA.

It took Marcos more than a decade before he could no longer do anything right in the eyes of most Filipinos. Is Mrs Aquino reaching close to zero credibility in a mere four years?

Official Says Rebel Bombs Stolen From Arsenal

HK0606033690 Manila MANILA BULLETIN in English 6 Jun 90 pp 1, 19

[By Roy Sinfuego]

[Text] A high defense official said yesterday that explosives used by the ultra-rightist military rebels and the Marcos-loyalist groups came from the arsenal of the Armed Forces of the Philippines (AFP).

Defense Undersecretary Eduardo Ermita also revealed at the "Talakayan sa Makati" forum that the rightist rebels and the Communist Party of the Philippines-New People's Army (CPP-NPA) are responsible for the creation of a "climate of destabilization" by conducting acts of terrorism, such as bombings, assassinations, and bank robberies in Metro Manila.

Ermita, a retired major general, said that rebel soldiers pilfered the explosives (plastic bombs) from the AFP arsenal.

He stressed that the destabilization efforts are being concentrated in Metro Manila because it is the center of government and to give the impression here and abroad that the Aquino government is no longer capable of maintaining peace and order in the country. Selected targets, such as bank premises and other public installations, are the principal objectives of the rightists and leftist insurgents as well as the assassination of selected persons.

Meanwhile, Rep. [Representative] Rodrigo Gutang (LDP [Struggle of Philippine Democrats], Cotabato) chided Lt. Gen. [Lieutenant General] Redolfo Biazon for announcing a forthcoming coup attempt based on inconclusive intelligence information. Biazon should have kept his mouth shut, he said.

Gutang, a retired PC [Philippine Constabulary] general, also deplored what he called the seemingly "uncontrolled and contradicting" statements of military commanders on the current peace and order situation. He cited the recent contradicting statements of Brig. [Brigadier] Gen. Jose Zulueta, PC-INP [Integrated National Police] chief of Recom [Regional Command] 7, and Maj. [Major] Gen. Jose Protacio, commanding general of the Philippine Air Force. He said the defense secretary must be given the option to reveal in public such intelligence reports and assessments, instead of military commanders.

'Analysis' on Dissident Movement in Armed Forces

HK0406120990 Manila THE MANILA CHRONICLE in English 4 Jun 90 pp 1, 6

["Analysis" column by Amando Doronila: "Army Rebels, Like Rip Van Winkle, Waking Up Late"]

[Text] The Dissident movement in the armed forces incarnated by such seditious groups as RAM [Reform the Armed Forces Movement] and YOU (Young Officers Union) represents a Rip Van Winkle phenomenon in Philippine politics. these groups are waking up late in the day and at the wrong epoch of history to assert the interventionist role of the military in civil society. Such being the case, their militancy in coup plotting is taking place in a hostile political environment.

Based on the statements issued by these groups and discourses of their leaders, I have the sense that the inspiration for their interventionist impulse emanates from their models derived from the vanguard political role of the Indonesian army, the Thai army and the young military officers who orbited around Kemal Ataturk of Turkey in the building of modern nations or as agents of political change. Essentially, these models hold up the armed forces as agents of modernization.

The assumption upon which these models rest is that the military, at an early stage of the political development of a nascent modern state, is the vanguard institution that can promote modernization because of its bureaucratic and hierarchical structure, and its modern outlook. These elements, it is argued, lend themselves to shortcuts and efficiency in changing traditional norms that stand on the way of economic and political development. Indeed, these models are an upshot of the modernization theories in the 1950s—theories that provided the intellectual justification for the establishment of authoritarian rule to facilitate modernization.

These models, when applied to the Philippine context, are fatally flawed and are in fact irrelevant. Authoritarian models have indeed been demolished by the sweep of the democratic tide in many parts of the world. Thus, the seditious military groups which fancy themselves as saviors of the nation from the imperfections of civil administration are indulging in fantasies about their political role.

To be sure, the Indonesian army played a vanguard role in the revolution against the Dutch. By virtue of their revolutionary role—a struggle won by arms—the Indonesian armed forces legitimized their claim to be the custodian and guarantor of independence and as the leading agent for post-colonial economic and political development. As a bureaucratic organization, the armed forces developed ahead of the civil bureaucracy. Under President Sukarno's quasi-socialist type of economic approach, private sector had a limited role in the economy. No social force, not even the political parties, stood on the way of the interventionist role of the armed forces in politics and the economy. The armed forces not only fought communist uprisings and were mobilized to support Sukarno's anti-colonialist Crush Malaysia campaign; generals also held key Cabinet portfolios and controlled state economic enterprises.

In Thailand, there were three strategic modernizing institutions—the military, the civil bureaucracy and private business. These institutions interacted within the framework of the Thai monarchy. The monarchy was the legitimizing institution for arrangements worked out among these forces in power sharing, as well as in distribution of resources. Most of the military coups were launched with implict blessings of the monarchy and coups usually happened if the equilibrium among these forces had been dislocated. Thus, coups represented realignment of power.

Kemal Ataturk, the father of modern Turkey, and the young officers captured political power during the disintegration of the Ottoman Empire following its defeat in World War I. Ataturk was already some sort of a national hero because of his role in the defense of Gallipoli against the invasion of the Allies. The collapse of the empire provided the favorable environment for the intervention of visionary members of the officer corps. The British occupation of Turkey in 1920 provoked the proclamation of a Turkish republic by Ataturk. He was elected the first president of the republic by Ataturk. He was elected the first president of the republic. He abolished the caliphate and initiated sweeping reforms of politics, law and culture and modernized Turkey, emulating the European way of life.

In all these three cases, the military was the dominant modernizing sector of societies transiting from tradition to modernity. In the Philippines' case, the military has been late in making claims as an agent for modernization. Its interventionist role developed gradually beginning in the 1950s. After the defeat of the republican army under General Emilio Aguinaldo, the military was transformed into a colonial army dedicated to the cause of suppressing social insurrections and buttressing the status quo—i.e., the rule of the Filipino elite propped up by the colonial administration.

Philippine independence was won not on the battlefield but in parliament. The heroes of independence were the lawyers and legislators—all civilians. The modernizing agents starting with the colonial administration were the politicians and civil bureaucrats, and to a small degree, the businessmen. During the post-independence period and the import-substitution industrialization of the 1950s and 1960s, the modernizinfg sector was expanded by the entry of the new entrepreneurs and the growth of the civil bureaucracy.

Because of the predominantly civil character of politics and the expansion of the economy, the military, as a modernizing institution, has a weak claim to a leading role in the building of a modern nation. thus, the assertion by some military groups of the right to intervene in order to promote modernization is not only ill-founded. The claim has no legitimacy because it flies in the face of historical political experience of this country. The role of modernizers has historically been preempted by the politicians (the more progressive ones, at least), the civil bureaucrats and more recently by public and private sector technocrats.

Textbook models taken out of context can cause political aberrations like coups. When dissident officers proclaim to civil society that they have a right to rule through a violent takeover because they are the new messiahs of modernization, one may be forgiven if he wonders whether these dangerous notions are the brain-child of pot smoking.

NPA, Muslim Rebels Turn in 3,503 Guns

HK0606124390 Manila PHILIPPINE DAILY INQUIRER in English 5 Jun 90 p 10

[Text] The government has collected a total of 3,503 firearms of various calibers and make from the communist and Moro rebels who have availed of the national reconciliation and development program (NRDP) since March, 1987, Defense Secretary Fidel V. Ramos announced yesterday.

Ramos said the firearms were brought in by the 8,277 rebel returnees from the Communist Party of the Philippines and its armed wing, the New People's Army, and the Moro National Liberation Front [MNLF]-reformist group and its breakaway faction, the Moro Islamic Liberation Front, both based in Mindanao.

The rebel returnees were compensated for in cash and in kind totalling to P39.07 million [pesos], Ramos also said. The amount was channeled under the Baril, or Bring A Rifle and Improve your Livelihood, program of the NRDP.

Meanwhile, a Moro rebel leader yesterday denied Ramos' claims that 755 rebels belonging to the MLNF have surrendered to the government last Saturday. In a statement sent to the media, MNLF Manila-based spokesman Sultan Panny Pangandaman said the returnees were "mostly misguided fighters of the MNLF." Pangandaman said Commander Dante, the proclaimed leader of the surrenderees and whose real name is Hadji Sarapedin Saud Mangasep, was never the head of the MNLF National Security Command (NASCOM). "Commander Dante was a military deep penetration agent of the Aquino government," Pangandaman said.

Ramos flew to central Mindanao last week to preside in the surrender ceremonies of Commander Dante and 754 other Moro rebels. The rebels also turned over to the government several assorted firearms.

Ramos said the surrender of Commander Dante was a "big blow to the cause of the MNLF self-exiled leader Nur Misuari."

Firearms at Depository Building

HK0606032190 Manila MANILA BULLETIN in English 6 Jun 90 p 19

[Text] The bulk of the firearms surrendered by CPP-NPA [Communist Party of the Philippines-New People's Army] and Mindanao secessionist rebels under the reconciliation program of the government are intact and kept in a depository building in the Logistics Command in Camp Aguinaldo.

This was found out yesterday by Defense Secretary Fidel V. Ramos who conducted an inspection of the firearms as part of his assessment of the progress of the "balik-baril" [firearms return] program, an incentive project designed to facilitate the return to the fold of the law of rebel elements.

Accompanied by Undersecretary Eduardo Ermita and civil relations chief Brig. Gen. [Brigadier General] Ramberto Saavedra, Ramos was told that 90 percent of the 4,025 pieces of various firearms retrieved from returning rebels are kept in the building and are properly taken care of by the Logistics Command.

Ramos was told that the 4,025 firearms surrendered by 8,277 returnees constitute the accomplishment of the "balik Baril" program from March 1987 to March 1990. Not included are 461 more firearms which were brought in by 754 MNLF-MILF [Moro National Liberation Front-Moro Islamic Liberation Front] rebels who yielded to military authorities last week. Secretary Ramos officiated the oath of allegiance to the Republic of these returnees last Thursday.

Foreign Debt Said Down to $26.3 Billion

HK0606125190 Manila THE MANILA CHRONICLE in English 6 Jun 90 p 13

[Text] The country's foreign debt stood at $26.34 billion as of the end of the first quarter this year, a 4.6% drop from the $27.61 billion registered as of end-December 1989, Central Bank [CB] statistics showed yesterday.

The decline in the debt burden was attributed mainly to depreciation of the currencies of the country's major creditors, notably the Japanese yen. The impact of the change in value of the currencies, called the foreign exchange valuation, contributed to a drop in the debt by $325 million. At the same time, various debt reduction schemes including the debt to equity conversion program and the debt for asset swap scheme paved the way for decline in the foreign debt by $39 million in the first quarter of this year.

CB governor Jose L. Cuisia Jr. yesterday said in an interview that the Philippine government was preparing the second phase of the debt reduction program, which was earlier reported to be pursued in the third quarter of this year. About $6.4 billion of the country's public sector debt is covered in the second phase of the debt reduction program.

This early, the government is expected to retire $1.6-$1.7 billion of the debt.

The CB report showed that of the $26.34 billion external debt, 43.77% or $11.529 billion are owed to commercial banks and other financial institutions; 24.47% or $6.445 billion to bilateral institutions and 21.65% or $5.703 billion to multilateral financial institutions.

The public sector covering the national government, government financial institutions and the public corporate sector remains the country's biggest borrower with debts of $16.014 billion. It was followed by the private sector borrowers with loans incurred amounting to $5.608 billion and the Central Bank with outstanding foreign debt liabilities at $4.71 billion.

The CB data showed that composition of the debt is made up of medium and long term obligations which cornered the bulk of the debt at 83.84% or $22.04 billion and short term debt with a share of 16.167% or $4.25 billion.

Following the debt reduction program finalized in January this year which reduced the external debt burden by $1.334 billion, the country expects to further reduce its debt burden from a peak of $28.6 billion in end-1986.

Cuisia said yesterday that the debt panel has drawn up a "direction" of the second phase of the program although he explained that for purposes of negotiations with creditor banks, the country's strategy should not yet be announced.

The government is expected to pursue a market-oriented and voluntary debt reduction program which will include a combination of principal and interest cut. It is expected that the Philippines will also implement a combination debt buy-back scheme and interest enhancement mechanism to further reduce its debt burden. About $700 million in remaining debt and debt service reduction from the international monetary fund, World Bank and Japan export import bank will be used to partly retire a portion of the country's debt.

Thailand

Reportage on Resignation of General Chawalit

Letter of Resignation Submitted

BK1106072890 Bangkok Army Television Channel 5 in Thai 0705 GMT 11 Jun 90

[Text] General Chawalit Yongchaiyut, deputy prime minister, submitted a letter of resignation from his posts as deputy prime minister and defense minister, at 0815 today. The director of the Prime Minister's Office received the letter.

The letter says: Under the royal decree appointing me as deputy prime minister and defense minister, I intended to do my best possible in the performance of my duty for the happiness of the Thai people. I have done the best I could do in cooperating with your excellency to solve national problems. Now I consider that under the present situation, I cannot continue to do my work as I had earlier intended. I therefore would like to resign immediately from my position as deputy prime minister and defense minister.

Chatchai Acknowledges Letter

BK1106095090 Bangkok Army Television Channel 5 in Thai 0930 GMT 11 Jun 90

[Text] After a meeting with General Suchinda Khraprayun, Prime Minister Gen. Chatchai Chunhawan told reporters at Government House that he had acknowledged Gen. Chawalit Yongchaiyut's resignation. However, the prime minister's close aides declined to give interviews to reporters.

[Begin recording] [unidentified reporter] Has General Chawalit resigned?

[Chatchai] I have just received the resignation letter. [end recording]

Armed Forces Said on Red Alert

BK1106040490 Hong Kong AFP in English 0401 GMT 11 Jun 90

[Text] Bangkok, June 11 (AFP)—Thai Deputy Prime Minister and Defence Minister General Chawalit Yongchaiyut resigned Monday [11 June] from the government, a close aide said here. The aide said the resignation of Gen. Chawalit, 58, was prompted by attacks against him by two other members of the government.

The aide, who declined to be identified, said the Armed Forces were on "a red alert," but would not further elaborate.

Gen. Chawalit, who is widely considered as an aspiring prime minister, had joined the government in April, after resigning as Thailand's armed forces chief.

There was no immediate comment from the Office of Prime Minister Chatchai Chunhawan.

The attacks against Gen. Chawalit had come from Minister Attached to the Prime Minister's Office Charloem Yubamrung and Deputy Minister of the Interior Trairong Suwannakhiri.

A senior army official was quoted Monday in the local press as saying that the Armed Forces, which are highly influential in Thailand, were "running out of patience" because of the attacks and warning of a military reaction. "I tell you frankly we are running out of patience. If there is any further provocation, it will reach the point where honour will take priority over discipline. When that point is reached, we cannot say what will happen," Army Spokesman Major-General Anuson Kritsanaserani said.

Gen. Chawalit's aide said the general handed in his resignation letter to the prime minister's office early Monday. The resignation has been accepted, he said.

Chawalit Whereabouts Unknown

BK1106051490 Hong Kong AFP in English 0510 GMT 11 Jun 90

[Excerpts] June 11 (AFP)—Thailand's powerful Defense Minister General Chawalit Yongchaiyut resigned Monday [11 June] following attacks against him by government colleagues, a close aide to the general said. [passage omitted]

The whereabouts of Gen. Chawalit, who joined the government only in April, a few days after retiring as armed forces chief, were not immediately known. [passage omitted]

There was no immediate comment on the possible consequences of Gen. Chawalit's resignation from the Prime Minister's Office. A member of Mr. Chatchai's advisory team, his son Kraisak Chunhawan, would only comment that "his team was studying the situation."

Solidarity Party on Resignation

BK1106090090 Bangkok First Army Division Radio in Thai 0815 GMT 11 Jun 90

[Text] With reference to an urgent report about an hour ago on the resignation of Deputy Prime Minister and Defense Minister General Chawalit Yongchaiyut, our radio correspondent has reported from Ban Suan Phutan [Chawalit's residence] that a large number of reporters are gathering there waiting for an interview with Gen. Chawalit, expected to take place this afternoon.

Our correspondent reported from the house of Narong Wongwan, leader of the the Solidarity Party, that a number of party members including deputy party leaders Bunchu Rotchanasathian and Wira Musikaphong and party spokesman Athit Urairat gathered at Narong's house for a meeting to discuss Gen. Chawalit's resignation.

Athit told our correspondent that the Solidarity Party blamed Gen. Chatchai for a lack of responsibility in allowing cabinet members to launch broadsides among themselves. Asked if the party wants Gen. Chawalit as a member, Athit said his party would always welcome Gen. Chawalit. However, it all depends on whether Gen. Chawalit would be willing to join the Solidarity Party.

Chatchai Still To Visit U.S.

BK1106082590 Bangkok First Army Division Radio in Thai 0805 GMT 11 Jun 90

[Text] Commenting on the resignation of Deputy Prime Minister and Defense Minister General Chawalit Yongchaiyut, Prime Minister Gen. Chatchai Chunhawan stated at Government House at 1410 today that he had not seen the resignation letter. He said he did not think there should be any major difficulty or changes.

The prime minister said he could not comment on the political trend at present as he had not seen the letter of resignation. He said there is not sufficient justification for the resignation.

The prime minister confirmed that he would leave for the United States according to schedule. His visit to meet with President George Bush must be separate from Gen. Chawalit's resignation. Gen. Chawalit's issue is internal politics and has nothing to do with international politics.

The prime minister said he is confident that his government will complete its term. He said the military meetings today were not a rally. The military has been abiding by the rules and regulations. The prime minister will not take action to clear this problem at present as he is scheduled to leave for the United States tonight.

Phisit Promises No 'Incidents'

BK1106094090 Bangkok First Army Division Radio in Thai 0900 GMT 11 Jun 90

[Text] As a follow-up of our urgent reports on the resignation submitted by Deputy Prime Minister and Defense Minister General Chawalit Yongchaiyut, reporters are waiting for more news at Ban Suan Phuttan, the residence of Gen. Chawalit, and for an interview with him expected this afternoon.

Meanwhile, Army Commander Gen. Suchinda Khraprayun granted an interview to newsmen at Government House at 1520 today after meeting with Prime Minister Gen. Chatchai Chunhawan for about 20 minutes. He said that there was nothing exciting about the meeting. He said reporters will have to ask the prime minister himself about Gen. Chawalit's resignation. His meeting with the prime minister did not concern the resignation. He met the prime minister to discuss what the army needs from the prime minister's trip to the United States.

Our reporter said that Gen. Suchinda refused to answer questions concerning Gen. Chawalit's resignation or a military alert.

At 1430 at the Supreme Command Headquarters, Armed Forces Chief of Staff Air Chief Marshal Phisit Salikhup said that he met Gen. Chawalit at his Suan Phuttan house earlier in the morning and tried to stop him from resigning, but his effort was useless. He said that the military did not want Gen. Chawalit to resign, as his presence in the government is a moral support for the military. Gen. Chawalit told him that he can always make contributions to the nation even though he is no longer in the government.

The armed forces chief of staff reassured that there would be no untoward incidents during the absence of Prime Minister Gen. Chatchai Chunhawan, who is leaving for a visit to the United States. The soldiers understand the situation. Army Commander Gen. Suchinda said he wished Gen. Chatchai a smooth trip to the United States. Air Chief Marshal Phisit said he knew nothing about Gen. Chawalit's future plans in politics because he had not asked Gen. Chawalit.

Military Officers Visit Chawalit

BK1106072390 Bangkok First Army Division Radio in Thai 0705 GMT 11 Jun 90

[Text] Senior military officers have been calling on General Chawalit Yongchaiyut all morning, and a news conference is planned for this afternoon. The reporter of the 1st Army Division Radio reported from Suan Phuttan [Chawalit's residence] that senior officials including Gen. Wanchai Ruangtrakun, defense permanent secretary; Gen. Sanan Sawetserani, and Lt. Gen. Somkhuan Suwan, met Gen. Chawalit Yongchaiyut, deputy prime minister and minister of defense.

House Speaker Pancha Kesonthong and Supreme Commander Gen. Sunthon Khongsomphong went to see Gen. Chawalit early this morning. A number of limousines with darkened windows traveled in and out of Gen. Chawalit's residence. Gen. Chawalit is scheduled to hold a news conference this afternoon.

Suchinda Heading Back to Bangkok

BK1106073890 Bangkok Army Television Channel 5 in Thai 0710 GMT 11 Jun 90

[Text] Army Commander in Chief General Suchinda Khraprayun, who is scheduled to visit Brunei, has cancelled the trip and is now heading back to Thailand.

Chatchai Scheduled To Meet King

BK1106105390 Bangkok First Army Division Radio in Thai 1000 GMT 11 Jun 90

[Text] After a meeting with Army Commander General Suchinda Khraprayun this afternoon, at 1600 Prime Minister General Chatchai Chunhawan summoned Secretary General to the Cabinet Aphilat Osathanon, Deputy Secretary General Police Major General Yongyut Sarasombat, Secretary General to the Prime Minister General Wanchai Chitchamnong, and his team of policy advisers for a meeting at Government House to plan the drafting of decrees for his majesty the king on issues related to General Chawalit Yongchaiyut's resignation as deputy prime minister and defense minister, including new appointments and legal procedures to be taken. A Cabinet reshuffle is expected after General Chatchai Chunhawan returns from the United States. Advisers to the prime minister, however, remained tight-lipped, refusing to talk to reporters after meeting with the prime minister.

There was a report the prime minister is scheduled to have an audience this evening with his majesty the king at Klai Kangwon Palace in Prachuap Khirikhan Province.

(Hong Kong AFP in English at 1104 GMT on 11 June cites Government Spokesman Likhit Hongladarom as saying General Chatchai flew by helicopter to the sea resort of Hua Hin for an audience with King Phumiphon Adunyadet.)

Commenting on the current situation, Narong Wongwan, Solidarity Party leader, said Gen. Chawalit's resignation reflects the confusion within the present government, which made it difficult for Chawalit to cooperate with government members. He said the only solution for Gen. Chatchai is to resign from the prime minister's post.

Meanwhile, Bunchu Rotchanasathian, Solidarity Party deputy leader, said any decision to dissolve the Parliament must be justified. He said the present issue involves the government's performance and has nothing to do with the Parliament. He said a move to oust Gen. Chawalit resulted from the prime minister's fear Gen. Chawalit would expose corruption within the government.

Senator Ubonsak Bualuangngam praised Gen. Chawalit for making the correct decision. He said any attempt to stop Gen. Chawalit from resigning would be unsuccessful.

Army Plans 'Show of Force'

BK1106001590 Bangkok BANGKOK POST in English 11 Jun 90 pp 1, 3

[Text] Officers of the First Army Division will stage a "show of force" at the 11th Infantry Regiment in Bang Khen today to protest against what they called and an insult to Deputy Prime Minister and Defence Minister Gen [General] Chawalit Yongchaiyut. A well-informed army source said last night that similar action would be held at army barracks until Prime Minister Chatchai Chunhawan ousts PM's [Prime Minister's] Office Minister Chaloem Yubamrung from the Cabinet.

Senior army officers yesterday reacted strongly to criticism of former Army Commander-in-Chief Gen Chawalit by police Capt [Captain] Chaloem. Army spokesman Maj-Gen [Major General] Anuson Kritsanaserani yesterday issued, a strongly-worded warning to Capt Chaloem to stop the criticism.

"I tell you frankly we are running out of patience. If there is any further provocation, it will reach the point where honour will take priority over discipline. When that point is reached, we cannot say what will happen," Maj-Gen Anuson said in a statement.

A well-informed army officer told the BANGKOK POST yesterday that the "show of force" by the regimental, battalion and company commanders would also be aimed against Deputy Interior Minister Trairong Suwannakhiri. Mr Trairong, the officer said, had recently challenged Gen Chawalit to contest the by-election in Lamphun. The army officer said that several officers had taken the challenge as a sarcastic insult to Gen Chawalit.

Some officers were so upset by Capt Chaloem's criticism that they had threatened to commit bodily harm against the minister, but were restrained by their superiors.

Without using her name, Pol Capt Chaloem had described Gen Chawalit's wife Khunying Pankrua as "a walking jewelry box". The general's wife retaliated by calling the minister a "moron".

Referring to the general's warning last year that corrupt officials should have "their heads and the heads of their family members through seven generations cut off", the minister reportedly said that the one who issued the warning should be careful because his family might be the first to be punished.

Maj-Gen Anuson yesterday said he had called a press conference because many army officers were angered by Capt Chaloem's criticism.

"Every soldier of His Majesty is always aware of duty and honour. We have sacrified everything—even our lives and blood—to protect the nation and the throne and for the good of the people," he declared.

"The military had declared that it had washed its hands of politics and would support the Government—that is, to stand side-by-side with the people. But some politicians lack manners and use offensive language which are an inexcusable insult to the military. "The fact that we didn't react was because we had to follow discipline. We had orders to obey," he said.

The spokesman said he had received phone calls from several army units expressing outrage and a desire to avenge Gen Chawalit's honour. "I told them to be patient and to follow orders that soldiers not get involved in politics. But nothing has improved with the passing of time because the politician (Chaloem) is still apparently unaware of what he is doing. Therefore, it is necessary to allow the troops to speak their minds," he said.

He could not predict how the officers would express their anger, he said. "It depends on each unit commander."

Asked whether the "show of force" would give the military a bad image, the spokesman shot back, "I would like to know whether the image of politicians has been tarnished. "The military must retaliate for the sake of its dignity, or the public will wonder how it could allow its superior to be insulted," he said.

He said that former prime minister M.R. Khukrit Pramot was on the military's side in the controversy.

In Prachin Buri yesterday, Maj-Gen Chettha Thanacharo, commander of the Burapha Task Force, told his troops that they would not allow any more provocative remarks by Cpt Chaloem. "We have patience because we have discipline. But if there is any more provocation, we will not tolerate it," he warned.

First Army Region commander Lt-Gen [Lientenant General] San Siphen said he could not guarantee that army commanders could control their men if they were further provoked.

Stock Market Plummets

BK1106043390 Hong Kong AFP in English 0426 GMT 11 Jun 90

[Excerpt] Bangkok, June 11 (AFP)—The booming Thai stock market took a sharp turn downwards Monday as share prices plummeted with news former army commander General Chawalit Yongchaiyut had resigned from his two government positions.

The Security Exchange of Thailand (SET) index plunged 14.56 points to 1,018.96 in what a SET official said at 10:40 A.M. (0340 GMT) was "across-the-board" selling which began once the SET opened at 9:00 A.M. (0200 GMT). [Bangkok Thai Army television Channel 7 in Thai, which carries live reportage from the Stock Exchange of Thailand every weekday, indicated at 0435 GMT on 11 June that the index had dropped by 38.30 points to 995.25 points] [passage omitted]

PRC Assistant Foreign Minister Xu Leaves

BK1006075490 Bangkok XING XIAN RIBAO in Chinese 10 Jun 90 p 4

[Excerpt] Xu Dunxin, Chinese assistant minister for foreign affairs and director of the Asian Affairs Department, yesterday told our correspondent that China maintained that the proposal for a tripartite meeting between China, Vietnam, and Thailand to discuss a political solution to the Cambodian problem was a good idea. However, this depends on whether or not the conditions are ripe for such a meeting. The Chinese minister said: "If the conditions are ripe such a meeting can be held, but there is no need for such a meeting without the proper conditions."

Xu Dunxin said that Thai Prime Minister General Chatchai Chunhawan and Foreign Minister Air Chief Marshal Sitthi Sawetsila had made such a proposal a year ago. Now, someone has raised this proposal again. Such a meeting can be held only when the conditions are ripe. However, the Chinese minister realized that the holding of this tripartite meeting between China, Vietnam, and Thailand also depends on the results of the previous meetings on Cambodia and the Sino-Vietnamese talks.

Cambodian resistance leader Prince Sihanouk recently said that it would be better if Thailand, which has a decisive political position in this region, could hold a tripartite meeting between China, Vietnam, and Thailand. Nguyen Co Thach, the Vietnamese deputy prime minister and foreign minister, later responded to this proposal.

The 6-member Chinese Foreign Ministry delegation led by Xu Dunxin left for Hanoi on board a Thai Airways International flight at 1100 yesterday for an historical one-week visit to Vietnam to discuss the normalization of Sino-Vietnamese relations, which have deteriorated over the past 11 years.

Xu Dunxin reaffirmed that the normalization of relations between China and Vietnam would come only after the Cambodian problem is completely settled. [passage omitted]

Further on Xu's Plans

BK0906013090 Bangkok BANGKOK POST in English 9 Jun 90 p 6

[Text] Chinese Assistant Foreign Minister Xu Duxin, who leaves Bangkok today for Hanoi, will discuss details of a ceasefire and formation of a Supreme National

Council [SNC] in Cambodia with Vietnamese officials, informed sources told the BANGKOK POST yesterday.

The sources said Minister Xu outlined the agenda of the Chinese-Vietnamese talks to Foreign Ministry officials yesterday. Minister Xu met with Foreign Minister Sitthi Sawetsila and Permanent Secretary Kasem Samoson Kasemsri yesterday.

Mr Xu is expected to hold talks with Vietnamese Deputy Foreign Minister Dinh Ngo Liam who earlier visited Peking for talks on the Cambodian conflict. The sources said the ceasefire and the SNC are areas which China and Vietnam still disagree on.

Mr Xu told ministry officials that China sees Vietnam becoming more flexible in its agreement that the Cambodian conflict should have a comprehensive political solution, the sources said.

The Chinese believe that the "heart" of the problem is the extent of administrative power of the SNC. Vietnam has said that it will give Mr Xu their position when he visits Hanoi today. China wants the SNC, which will comprise six representatives from the resistance and six from the Phnom Penh regime, to have a division of labour which should include a number of crucial ministries.

The Chinese and Vietnamese are also expected to discuss the role of the United Nations in a resolution of the Cambodian conflict, the sources said. According to Mr Xu, the Vietnamese are expected to give Peking their view on how a ceasefire should be implemented and the role of the UN in supervising the ceasefire.

Minister Xu told ministry officials that he will fully brief the Thai side on his return from Hanoi.

During his meeting with ACM Sitthi, Minister Xu said that the permanent five members of the United Nations Security Council are scheduled to meet in Tokyo on July 9.

Speaking to reporters, Minister Xu said that he would not discuss normalisation with Vietnam on this trip, adding that the Cambodian conflict needs to be resolved first before normalisation can take place.

Vietnam

VNA Reports Nguyen Co Thach-Hun Sen Meeting

BK1006154290 Hanoi VNA in English 1444 GMT 10 Jun 90

[Text] Hanoi VNA June 10—Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, chairman of the Council of Ministers and foreign minister of the State of Cambodia, arrived here yesterday on his way home after having met with Prince Norodom Sihanouk in Tokyo, Japan.

After his arrival, Hun Sen was cordially received by Nguyen Co Thach, Politburo member of the Communist Party of Vietnam Central Committee, vice chairman of the Council of Ministers and foreign minister.

Hun Sen informed Nguyen Co Thach of the result of his meeting with Prince Sihanouk in Tokyo on June 4-5. He stressed that thanks to the refusal to the Khmer Rouge representative's abuse of the veto to obstruct and [words indistinct] at the Paris and Jakarta conferences, the talks between the delegations of the State of Cambodia and Prince Sihanouk had attained positive results. That was a new step of great importance in the search for an end to the military conflict in Cambodia and for an overall political solution to the Cambodia problem.

Nguyen Co Thach welcomed the positive results of the recent Hun Sen-Sihanouk meeting in Tokyo, considering it an important effort to break through the stalemate in the settlement of the Cambodia issue as has been seen since the Paris international conference. He highly appreciated the good will of the State of Cambodia [words in distinct] for an early end to the civil war in Cambodia and for an overall political solution to the Cambodia issue. Nguyen Co Thach and Hun Sen acclaimed efforts of the Thai and Japanese Governments which had contributed to the positive results of the meeting between representatives of the two opposing governments in Cambodia. Nguyen Co Thach affirmed Vietnam's respect for the agreements already reached by the two Cambodian sides in Tokyo [words indistinct] together with concerned countries, to undertake and ensure the implementation of these accords. With the commitment of the concerned countries, he noted, the Tokyo joint communique is bound to be carried out in spite of the Khmer Rouge's continued efforts to prolong the war.

Hun Sen left here today for Phnom Penh. Among those present at the airport to see him off were senior officials of the Vietnamese Foreign Ministry, Soviet Ambassador I. Kachin and Japanese Ambassador Kuniaki Asmura.

NHAN DAN Comments on Cambodia Peace Talks

BK0706142490 Hanoi International Service in English 1000 GMT 7 Jun 90

[NHAN DAN 7 June Commentary on "Seventh Meeting Between Chairman Hun Sen and Prince Norodom Sihanouk in Tokyo"]

[Text] The seventh Hun Sen-Sihanouk meeting has just ended in the world's keen interest. [sentence as heard] Chairman Hun Sen and Prince Norodom Sihanouk, respectively on behalf of the Cambodian Government and of the tripartite coalition government of Democratic Kampuchea, signed a joint statement laying stress on the necessity to refrain from armed activities from all Cambodian parties. The statement also conceded that implementation of a ceasefire an initial step to an acceptable solution to ensure the ceasefire. [sentence as heard] All sides should stop all hostile activities and remain the status quo of their armed forces and agree to establish the Supreme National Council.

The two sides also affirmed that the international Paris conference on Cambodia would be resumed with the United Nations' proper participation and pointed out that the Supreme National Council would be a body symbolizing independence, national unity, and sovereignty of Cambodia with worthy people selected from both sides.

The statement stipulated that the first session of the council should be held not later than the end of July this year. This is a step forward in the process of dialogue for an overall solution to the Cambodian issue. Though there remain some limited areas, the document deals with the tasks to be done in the time ahead in quest of an equitable political solution to the Cambodian issue. Through the meeting, one can take note of the goodwill of Chairman Hun Sen, Prince Norodom Sihanouk, and other participants and their sustained efforts to overcome obstacles to the settlement of the issue. The world also highlighted contributions made by Thailand, the initiator of the meeting, and Japan, the host country, to creating favorable conditions for the success of the meeting.

On the contrary, like other forums in the past, the Khmer Rouge once again showed its lack of goodwill and obdurate attitude. With its unconstructive attitude, the Khmer Rouge proves itself a main obstacle to the political solution. It also proves that a way to an overall political solution to the Cambodian issue is not easy.

Through the Tokyo meeting, the role and position of the State of Cambodia have been improved. The responsibility and the constructive spirit of the State of Cambodia's delegation led by Chairman Hun Sen has contributed to the result of the conference.

The paper continues: Vietnam welcomes results of the latest Hun Sen-Sihanouk meeting, noting that while continued contributions are being made to the search for a solution to the Cambodian conflict, agreements already reached at the Tokyo meeting should be brought into play. Vietnam hopes that countries concerned will positively support the Hun-Sen-Sihanouk agreement by creating favorable conditions for their implementation, encouraging the Cambodian parties to put an early end to the conflict, and ceasing their military aid to all opposing parties, thus contributing to the search for an overall solution to the Cambodian issue.

Vo Chi Cong's Visit to Algeria, Libya Hailed

BK0906091590 Hanoi International Service in English 1000 GMT 8 Jun 90

[Station commentary]

[Text] State Council President Vo Chi Cong on 7 June concluded his official friendly visit to Algeria and Libya. The visit came at a time when the peoples of Algeria and Libya are carrying out renovation. Despite the differences in the contents, measures, and levels of renovation, the three countries have a common goal, that is to stabilize their countries for national development, solve conflicts through political means, normalize their relations with neighboring countries, and promote regional cooperation.

President Vo Chi Cong's visit was the first in Africa, and it aimed to strengthen solidarity, friendship, and cooperation between Vietnam, Algeria, and Libya. In the present complicated world, this successful visit marked an important step in the ties of friendship and cooperation between Vietnam and the other two countries and contributed to the unity of the nonaligned countries and South-South cooperation. During his stay in Algeria and Libya, President Vo Chi Cong had contacts with leaders of the two countries. During these, the Algerian president and Libyan leader voiced their support for the process of renovation in Vietnam. They also praised the initial achievements recorded by the Vietnamese people in this undertaking. The leaders of Algeria and Libya said they considered Vietnam's concept of renovation to be a good experience and food for thought. They also expressed admiration for the Vietnamese nation's revolutionary tradition and respect for President Ho Chi Minh. They saw the need to strengthen solidarity with Vietnam, particularly in a fast-changing world.

For his part, President Vo Chi Cong praised the great achievements of the Algerian and Libyan peoples in the recent past and affirmed Vietnam's support for the current reform in Algeria under the leadership of President Chadli Bendjedid and Front for National Liberation. President Vo Chi Cong voiced support for the cause of national defense and development of Libya under the leadership of Colonel Mu'ammar al-Qadhdhafi. He also expressed Vietnam's support for the struggle of the Palestinians and other Arab peoples to win and defend national independence, sovereignty, and a lasting peace in the region. He took the occasion to support the resolution of the recent Arab summit in Baghdad, condemning Israeli terrorist acts against Palestinians in occupied Arab areas and the settlement of Jewish immigrants in these areas.

During this visit, Vietnam, Algeria, and Libya signed a number of economic, trade, and financial agreements in the spirit of solidarity and sympathy for Vietnam's difficulties. This vividly expressed the growing relations of friendship and cooperation between Vietnam and the two countries. All sides pointed to the need to expand these relations. The solidarity and friendship between Vietnam and Algerian and Libya are time-honored. In the past struggles for national independence as well as in the current national restructuring, the peoples of the three countries have always supported one another. The visit by President Vo Chi Cong contributed to a further development of this friendship and mutual support in the interests of the three peoples, peace, national independence, and social progress. The people of Vietnam are grateful for the valuable support and assistance of the Algerian and Libyan peoples.

Shipping Line Set Up With Hong Kong, Taiwan

BK0706090490 Hanoi VNA in English 0718 GMT 7 Jun 90

[Text] Hanoi VNA June 7 - A new international container shipping line linking Ho Chi Minh City with Hong Kong and Taiwan, has been put into operation.

This is a joint venture between the Saigon Shipping Company and the Danish E.A.C. [East Asiatic Company, Ltd.] Company. This shipping line was inaugurated by freighter 'Alicertts' which left the Ben Nghe Harbor in Ho Chi Minh City on April 22 and arrived in Hong Kong on April 26 and Taiwan on April 28.

—The Haiphong Shipping Company recently invested two billion Vietnamese dong (equivalent to 400,000 U.S. dollars) in building a 26,000-square-metre stockyard for containers, upgrading 8,000 square metres of warehouse, and installing two more heavy-duty cranes at the main port area.

With those new facilities, the Haiphong Shipping Company can handle 200 containers per shift, meeting need of handling import goods in the coming years in northern Vietnam. Besides, Haiphong has broadened cooperation in container shipping to Ho Chi Minh City in the south and Singapore with the Vietnamese-French Gematrans Company.

Tran Duc Luong Attends Swedish Day Reception

BK0606154390 Hanoi VNA in English 1518 GMT 6 Jun 90

[Text] Hanoi VNA June 6—The Swedish ambassador to Vietnam, Kerstin Birgitta Johansson, gave a reception here this evening on the occasion of the national day of the Kingdom of Sweden (June 6).

Her Vietnamese guests included Tran Duc Luong, vice chairman of the Council of Ministers; Phung Van Tuu, vice chairman of the National Assembly; Nguyen Dyl Nien, vice foreign minister; and representatives of various central and Hanoi offices.

Mrs. Kerstin Birgitta Johansson and Vice Chairman Tran Duc Luong asked the other participants to join them in a toast to the Swedish National Day and to the constant development of the friendly and cooperative relations between the two countries.

Greetings Sent to French Communist Party Leader

BK0706090890 Hanoi VNA in English 0726 GMT 7 Jun 90

[Text] Hanoi VNA June 7 - Party General Secretary Nguyen Van Linh has extended his greetings to Georges Marchais, general secretary of the French Communist Party, on his 70th birth anniversary.

The Vietnamese leader's message praises General Secretary Georges Marchais' great contributions to the revolutionary cause of the communist party, the working class, and the entire working people of France, and to the struggle for peace, national independence, democracy, and socialism in the world over the past nearly 20 years.

"We are glad to see the strong development of the time-honored friendship and militant solidarity between the two parties. On this occasion, we express our sincere thanks to the communist party, the working class, and the entire working people of France, and to you personally, for the precious support and assistance to the party and people of Vietnam," the message says.

AFP on Crackdown on Grass-Roots Activities

BK0906002690 Hong Kong AFP in English 1911 GMT 8 Jun 90

[Text] Hanoi, June 8 (AFP)—The Vietnamese Government is tightening its control over grass roots organizations nationwide following recent unauthorized activities by some groups, an official report here said Friday.

The official Communist Party daily NHAN DAN warned against breaking government regulations concerning the foundation and activities of grass roots and social organizations. The daily said the Council of Ministers on Tuesday issued a directive that requested grass roots associations to respect state legislation and to report regularly their activities to the government. "Certain associations have recently engaged in activities that do not conform with state regulations," the paper said. It cited "unauthorized clubs" and "associations which, authorized initially to operate in a province, have spread their activities throughout the country and even had contacts abroad." There are currently 124 national grass roots organizations and more than 300 others at provincial level, according to the paper, which provided no other details.

Leaders of the Communist Party, the country's ruling and sole political party, are hostile to the democratic changes in Eastern Europe and refuse opposition political parties in Vietnam. Although they have called for more democracy, Vietnamese authorities have also warned that they would crush any act in the guise of democracy that sought to destabilize the regime or challenge the party's leading role. The Vietnamese press, which for several weeks has accused "imperialist circles and exiled Vietnamese reactionaries" of trying to destabilize Vietnam, said there exists evidence of foreign plots against Hanoi.

Seventh National Assembly To Begin 14 Jun

BK0706114990 Hanoi International Service in English 1000 GMT 7 Jun 90

[Text] The Vietnamese National Assembly and the State Council Office recently called a press conference to make known that the seventh session of the National Assembly, Eighth Legislature, will be opened on June 14.

The session will discuss and pass eight laws, and hear and discuss the Council of Ministers' report on the country socioeconomic situation in the first half of this year.

Communique on 9-11 Jun Council of State Session

BK1106115990 Hanoi Domestic Service in Vietnamese 1100 GMT 11 Jun 90

[Council of State Communique; date not given]

[Text] On 9 and 11 June, the Council of State met under its Chairman Vo Chi Cong.

1. The Council of State examined the preparations for the seventh session of the National Assembly. The council welcomed the fact that many delegations of National Assembly deputies and individual deputies have had broad contacts with voters to learn about their aspirations and requirements in preparation for contributing ideas to the contents of the session agenda. The council urged the Council of Ministers and responsible agencies to urgently and seriously perfect the various reports and draft laws to be submitted to the National Assembly.

2. The Council of State heard a representative of the Council of Ministers present the Draft Law on Business, Private Business, and Joint Stock Company; a representative of the Economic, Planning, and Budget Committee of the National Assembly read a report on its review of this draft law; and the views of a representative of the National Assembly Judiciary Committee on the same draft law.

The creation of a law on business, private business, and joint stock companies is a very necessary task aimed at gradually perfecting the legal basis of production and business activities, contributing to promoting the development of the multisectorial commodity economy, and protecting the legitimate rights and interests and determining the obligations of all sides participating in business activities. The Council of State made suggestions and entrusted the Economic, Planning, and Budget Committee and the Judiciary Committee of the National Assembly and the Council of Ministers with the task of perfecting this draft law and submitting it to the seventh session of the National Assembly for suggestions before putting it out for public debate.

3. The Council of State heard a report on the results of the official friendship visit of Vo Chi Cong, chairman of the Council of State, to the Democratic and Popular Republic of Algeria from 26 May to 1 June, and to the Socialist People's Libyan Arab Jamahiriyah from 1 to 4 June. The council warmly welcomed and highly appreciated the results of the visit, considering it an important event marking a new step of fine development that contributed to strengthening the relations of friendship and multifaceted cooperation between Vietnam and Algeria and Libya.

4. On the proposal of the chief justice of the Supreme People's Court, the Council of State decided to appoint a number of judges to the Supreme People's Court.

Revised Draft of Trade Union Law Introduced

BK0606145190 Hanoi Domestic Service in Vietnamese 2300 GMT 2 Jun 90

[Text] The Secretariat of the Confederation of Vietnamese Workers held a news conference on 2 June to introduce a revised draft of the law on trade unions to be submitted for approval to the coming Seventh National Assembly Session. Comrade Duong Xuan An, vice president of the Confederation of Vietnamese Workers, presented basic contents of the draft law on trade unions. It had been revised and supplemented while taking into account the many suggestions contributed by national assembly deputies at the Sixth National Assembly Session and by a broad section of trade union cadres, directors and party committee secretaries of various enterprises, and social science researchers.

The new draft law on trade unions, which consists of four chapters and 19 articles—one chapter and eight articles fewer than the previous draft law—has affirmed the position and functions of trade unions in our country's political and social system as a large political and social organization of the working class and the laboring people, as a component of the communist party-led political system in Vietnamese society, as an effective collaborator of the state administration, and as a socialist school of the laboring people.

Nguyen Khanh Addresses Emulation Conference

BK0706053990 Hanoi Domestic Service in Vietnamese 2300 GMT 1 Jun 90

[Text] A conference was held from 30 May to 1 June by the State Emulation and Commendation Institute to review work related to emulation and commendation in 1989 and to discuss guidelines for this work in 1990. Comrade Nguyen Khanh, vice chairman of the Council of Ministers attended and addressed the conference.

In the process of renovating the management mechanism and democratizing socioeconomic life in 1989, work related to emulation and commendation has brought about a number of initial results. From basic units to every individual, emulation and commendation activities have now expanded to all state-run economic components, cooperatives, and privately owned establishments under forms that are in line with social psychology. Thanks to the process of democratization in work related to emulation and commendation, the number of participants in the emulation movement has increased. Many individuals and collectives have registered for emulation in overfulfilling set norms, improving the quality of products, and economizing on the use of raw and other materials.

In the process of commendation, the State Emulation and Commendation Institute and the national emulation and commendation sector have considered awards for achievements in activities in all fields, in the preservation of foreign relations, and in the performance of socioeconomic tasks.

Progress has been made in the supervision of emulation and commendation activities, with the emphasis on emulation. At present, however, work related to emulation and commendation is still weak in many aspects. Bureaucratism, formalism, and egalitarianism are still prevalent in this work. Some organizations and units have even offered rewards that far exceed actual contributions. The organizational structure of the machinery in charge of emulation and commendation work is still small and fragile.

Implementing direcitve No. 85 of the chairman of the Council of Ministers, the conference spent much time analyzing general guidelines for emulation and commendation activities in 1990 and the ensuing years. This is aimed at accelerating the mass revolutionary movement in all basic units so that efforts can be made to satisfactorily fulfill all socioeconomic tasks for 1990 and the ensuing years. To achieve this, as an immediate step we must launch a vigorous emulation movement. On the basis of renovating work related to emulation and commendation, it is necessary to apply various effective forms of emulation to ensure a new change in this work.

Addressing the conference, Comrade Vice Chairman of the Council of Ministers Nguyen Khanh said:

We must change the contents and methods of emulation and ensure that emulation is carried out with specific plans and clear objectives. Meanwhile, commendation should be considered when necessary and in accordance with the principle of motivation in order to enhancing the emulation movement, thus enabling it to achieve good results and high efficiency. It is necessary to modify the methods of conferring rewards, ensuring that there are both material and spiritual rewards. As for the organizational structure of the emulation and commendation machinery, all sectors and localities are sufficiently capable of satisfying the requirements of the tasks involved on the basis of applying the new organizational mechanism of the management apparatus.

Comrade Nguyen Khanh also urged all sectors and localities to review the emulation movement in honor of the major anniversaries in 1990, as well as to speed up the formulation of emulation and commendation regulations.

Son La Establishes People's Security Teams

BK0706092990 Hanoi Domestic Service in Vietnamese 1100 GMT 4 Jun 90

[Text] Son La Province has set up and consolidated 275 people's security teams, 13 security committees, five interrelated security groups, and 17 youth assault units to maintain security and social order.

Ethnic minority groups of the province have provided the authorities with useful information leading to the arrest of 865 criminals, discovering 124 cases of theft, gambling, and opium smoking. The authorities have confiscated properties worth more than 20 million dong for returning to the people. The security forces have discovered 16 cases of opium trading and seized nine kilograms of opium, many guns, and a volume of explosive powder and mines.

However, districts in the province have not seriously carried out the anticrime campaign, while branches of the provincial bloc of internal affairs have not carried out work in a uniform manner, thus scoring low results in their tasks. At present, branches of the Son La provincial bloc of internal affairs are striving to overcome weaknesses and to mobilize the people to participate in the mass movement for national defense.

Circular to Army Correspondents on Press Day

BK0906043290 Hanoi Domestic Service in Vietnamese 1400 GMT 6 Jun 90

[Text] The General Political Department of the Vietnam People's Army recently forwarded a circular to all chapters of journalists associations in the entire Army and all political organs. The circular pointed out: Over the past decades, the contingent of army correspondents has upheld its sense of responsibility, has overcome difficulties and hardships, has satisfactorily fulfilled their duties toward their own press organs, and has actively participated in propaganda work concerning national defense-related issues in other mass media, thereby proving themselves worthy of being assault fighters on the cultural and ideological front.

For this reason, on the occasion of the 65th anniversary of Vietnamese Press Day, the army press editorial staffs should hold get-togethers of their correspondents and invite the commanders and leaders of their units to attend these occasions to discuss the following issues:

1. Recall President Ho Chi Minh's instructions for revolutionary journalists and review the implementation of various directives and resolution on the press issued by the upper levels to the army press organs.
2. Evaluate the quality and efficiency of propaganda work of the mass media under their charge and discuss measures to improve the content and form of propaganda work to suit the renovation of the country and the Army.

3. Unit commanders and leaders should analyze the strengths and weaknesses of their contingent of correspondents and set forth guidelines for their efforts to overcome limitations. At the same time, they should uphold their responsibility for creating favorable working conditions for subordinate correspondents and press organs.

Concerning units that used to publish bulletins or magazines that have now been closed, their commanders and leaders should organize get-togethers with their correspondents for the same purposes mentioned above and create favorable conditions for them to satisfactorily carry out their trade by filing news reports and writing articles for the mass media in and outside the Army.

All journalist association chapters should hold get-togethers of correspondents with practical contents and in an economical fashion. Results of these meetings should be reported to the Propaganda and Training Department of the General Political Department.

Australia

Hawke's Stand on Chinese Students Creates Debate

BK0706074690 Hong Kong AFP in English 0710 GMT 7 Jun 90

[Text] Canberra, June 7 (AFP)—The Chinese Embassy Thursday [7 June] criticised Prime Minister Bob Hawke's move to offer residency to nearly 20,000 Chinese if they are afraid to go home after last year's crackdown on pro-democracy forces.

The reaction came as a lively debate erupted here over Mr. Hawke's surprise announcements welcoming Chinese students but closing the door on boatpeople from Cambodia.

The conservative opposition accused him of inconsistency, setting dangerous precedents and pre-empting established refugee processes. Opposition leader John Hewson said Mr. Hawke was "shooting from the hip."

The Chinese Embassy said in a statement that fears Chinese students would be persecuted on their return home were "utterly unjustifiable." "We cannot understand the reported considerations by the prime minister to grant Chinese students permanent residence in Australia," the statement said. It said no returning student had been ill-treated.

Within Australia, Mr. Hawke drew praise and condemnation for his announcements in a televised interview Wednesday night which caught his cabinet and immigration officials by surprise. Chinese students hailed the news that Canberra would create a special immigration category for those who were here before and just after the Beijing bloodshed last June. "Their agony will be greatly alleviated because most of them have been participating in various (protest) activities," said Shiji Zhoa, spokesman for the National Union of Chinese Students and Scholars. But some members of the Chinese community said the blanket offer of resettlement went too far and could let in undesirables who had made their way to Australia under various pretexts. Wellington Lee, Chairman of the Asian-Australian Consultative Council, said many criminals and illegal immigrants were duping the authorities and only a few students here were active in the Beijing protests.

An immigration department spokesman said that there were 19,400 Chinese in Australia as of the cutoff date of June 20, 1989, set by Mr. Hawke. About 15,000 are students and the rest tourists, temporary residents or people in transit, he said. The government last year extended the students' visas until January 1991 to give them more breathing space.

Mr. Hawke said specifics of the resettlement program would be announced very soon, but the immigration department spokesman said he had "no details at all of what is next."

The labor prime minister took a different line with the 224 Cambodian boatpeople who have arrived in Australia since November, refusing to accept them as political refugees. He said they were simply seeking better economic conditions and Canberra would not accept anybody who thought they could simply "pull up stumps, get in a boat and lob in Australia."

At the same time, Trade Negotiations Minister Neal Blewett supported Jakarta's call for the world community to do more to help it repatriate 14,500 Vietnamese and Cambodian boat people on Indonesia's Galang Island. "It is unfair, it seems to us, that Indonesia—which has been a generous place of first asylum—is not getting the degree of cooperation of other countries which is needed," he told Australian Radio Thursday after talks Tuesday with the Indonesians.

Australia has accepted 190,000 refugees, including 125,000 from Indochina, through various programs since 1975 and claims its per capita intake is among the highest in the world.

But until the latest arrivals, there had been no boatpeople landing here since the 2,000 Vietnamese who arrived from 1976 to 1981. The Cambodians are being held in Sydney, Melbourne and Darwin.

The opposition here criticised Mr. Hawke for making sweeping decisions regarding the refugees. "The only way to make a humane, generous and compassionate response to the claims of the Chinese students and the Cambodian boatpeople is to implement a case-by-case assessment of them," Mr. Hewson said in a statement.

But Northern Territory Chief Minister Marshall Perron welcomed Mr. Hawke's decision on the Cambodians. "It is a hard decision but one that has to be taken if Australia is to avoid finding many more people on its shores," Mr. Perron said.

Fiji

Opposition Leader Confident of Australian Support

BK0506122190 Hong Kong AFP in English 1210 GMT 5 Jun 90

[Text] Suva, June 5 (AFP)—Fiji's opposition leader Adi Kuini Bavadra returned Tuesday [5 June] from a 12-day tour of Australia confident that Canberra would back her coalition party's demands for a liberal constitution in Fiji.

She said the Australian Government had assured her that it had no plans to restore ministerial contacts with the present Suva administration until a broadly acceptable constitution was promulgated. "I've been assured of many things and I think we can be optimistic about pressure from the Australian Government," Adi Kuini said from her Viseisei Village in Lautoka on the west coast of Fiji's main island.

Adi Kuini, widow of Fiji's deposed Prime Minister Timoci Bavadra whose month-old government was toppled by an Army coup in 1987, visited four Australian cities, where she met senior government and opposition leaders and addressed rallies.

She said her ethnic Indian-dominated coalition party "did not ask for trade sanctions, but we've been assured they would maintain their military-aid sanctions and continue to speak out against the system here." Both acting Australian Prime Minister Paul Keating and Foreign Affairs Minister Senator Gareth Evans "told us that they would seriously consider our pleas and the Australian Government would respond in the near future," she said.

Adi Kuini said the visit by her three-member delegation "was highly successful and we drew tremendous response and sympathies from all, cabinet ministers, media, down to the public." She said she was confident that with the pressure from Australia "and also New Zealand", her party could reopen dialogue with the interim administration.

Despite calls by a New Zealand South Pacific policy review team for Wellington to resume top level contacts with Suva, Adi Kuini said she doubted if this would take place. "We doubt that New Zealand would get around to sending a minister to Fiji," she said. She plans to call on New Zealand Government leaders including associate external affairs minister, Fran Wilde, soon to "discuss the current political impasse in Fiji." Ms. Wilde was instructed last week to organise a ministerial visit to Suva sometime in July in Wellington's bid to resume political dialogue with the interim administration after restraining relations in the wake of the 1987 coups.

New Zealand

Palmer Wants End to French Nuclear Testing

BK0806010690 Hong Kong AFP in English 0008 GMT 8 Jun 90

[Text] Wellington, June 8 (AFP)—A French nuclear test in the Tuamotu Archipelago in the South Pacific was recorded Friday by New Zealand's Department of Scientific and Industrial Research. The department, in a statement, said its seismological observatory in Rarotonga, Cook Islands, 2,200 kilometres (1,350 miles) west of the test site, recorded a three kiloton blast at 1730 GMT Thursday [7 June].

The department said it believed the test site was at Mururoa. New Zealand Prime Minister Geoffrey Palmer condemned the latest test, claiming France seemed determined to continue testing no matter what it cost in terms of its relations with the South Pacific. "They already know that their nuclear tests are rejected by all countries of the region," he said. "However we will continue to make this point unmistakably clear every time they explode one of their nuclear devices."

Mr. Palmer said he noted the French were now making public a little more information about their tests. "From New Zealand's point of view the only announcement we want to hear is that they are stopping testing."

Environmental organisation Greenpeace condemned the test and said it was at odds with the comments Thursday by new French ambassador to New Zealand Gabriel de Bellescize who said France wanted to listen to the concerns of Pacific peoples. France had failed to listen to deep opposition to its nuclear testing programme, Greenpeace spokesman Stephanie Mills said.

Papua New Guinea

Fishery Agreement Signed With Soviet Union

BK0606090790 Melbourne Overseas Service in English 0800 GMT 6 Jun 90

[Text] Papua New Guinea has signed a fisheries treaty with the Soviet Union which could be worth up to Australian $10 million a year. Radio Australia's Port Moresby correspondent, Sean Dorney, said the agreement was signed by the foreign minister, Mr. Michael Somare, and the Soviet deputy minister for fisheries, Mr. (Eugeniy Shriaz) [name as heard].

He says it covers a wide range of points, including training for local people and joint ventures in catching and marketing from inside Papua New Guinea's 200 nautical mile economic zone. Mr. Somare said the Soviet Union has established the embassy in Port Moresby and the fisheries treaty was the first of a number of treaties aimed at bringing the countries together.